

SAND DUNES PROPERTY

1735 Atlantic Avenue
Sullivans Island, South Carolina 29482

APPRAISAL REPORT

Date of Report: August 30, 2021

Colliers File #: CHS210220



PREPARED FOR
Rick Reames, III, Esq.
Nexsen Pruet, LLC
1230 Main Street
Suite 700
Columbia, SC 29201

PREPARED BY
COLLIERS INTERNATIONAL
VALUATION & ADVISORY SERVICES

LETTER OF TRANSMITTAL

EXHIBIT B - PUBLIC

COLLIERS INTERNATIONAL
VALUATION & ADVISORY SERVICES

75 Port City Landing, Suite 110
Mt. Pleasant, SC 29464
MAIN +1 843 723 1202
FAX +1 843 577 3837
WEB www.colliers.com/valuationadvisory

August 30, 2021

Rick Reames, III, Esq.
Nexsen Pruet, LLC
1230 Main Street
Suite 700
Columbia, SC 29201

RE: Sand Dunes Property
1735 Atlantic Avenue
Sullivans Island, South Carolina 29482

Colliers File #: CHS210220

Mr. Reames:

Pursuant with our engagement, the above captioned property was appraised utilizing best practice appraisal principles for this property type. This appraisal report satisfies the scope of work and requirements agreed upon by Nexsen Pruet, LLC and Colliers International Valuation & Advisory Services.

At the request of the client, this appraisal is presented in an Appraisal Report format as defined by USPAP Standards Rule 2-2(a). Our appraisal format provides a summary description of the appraisal process, subject and market data and valuation analyses.

The purpose of this appraisal is to develop an opinion of the As-Is Market Value of the subject property's fee simple interest. The following table conveys the final opinion of market value of the subject property that is developed within this appraisal report:

VALUE TYPE	INTEREST APPRAISED	DATE OF VALUE	VALUE
Market Value	Fee Simple	August 6, 2021	

The subject consists of five adjacent parcels of land that form what is known as the Sand Dunes Club property located at 1735 Atlantic Avenue on Sullivans Island, SC 29482. As assembled, the property contains 3.47 acres, or approximately 151,153 SF of land area and has approximately 385 feet of frontage on the Atlantic Ocean.

LETTER OF TRANSMITTAL

CONTINUED

EXHIBIT B - PUBLIC

CHS210220

The property is owned by South Carolina Electric & Gas Company (SCE&G), which is now Dominion Energy SC, Inc. (Dominion Energy). It has long been used as a corporate retreat and event venue, and is improved with a 11,500 SF clubhouse, a swimming pool, and ancillary support improvements. As will be shown in this report, the highest and best use of the property is for single family residential development. Therefore, the current use is an interim use.

The subject is a high profile property on Sullivans Island and has been designated as a Landmark property by the Town. As such, any exterior renovations or alterations to the improvements are subject to a review by the Town's Design and Review Board. It is also our understanding that the improvements can be removed with proper approvals.

The COVID-19 virus (aka coronavirus) is a serious illness and pandemic that has affected the world and more specifically the United States. The effects thus far include volatility in the stock and capital markets. The impact to demand and ultimately values for real estate is also developing, although there is a wide range of viewpoints with very little consensus on the potential impact. The range of views from market participants suggests the risk premium is widening and we should analyze implications to both near-term and longer-term valuation assumptions. Real estate as an investment type historically takes a longer period of time to be impacted in comparison to alternative investment types, such as stocks and bonds. CIVAS professionals have consulted with market participants in preparation of this assignment to understand and best address how the subject property may be impacted.

The report, in its entirety, including all assumptions and limiting conditions, is an integral part of, and inseparable from, this letter. *USPAP* defines an Extraordinary Assumption as, "an assignment specific-assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions". *USPAP* defines a Hypothetical Condition as, "that which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis".

The Extraordinary Assumptions and/or Hypothetical Conditions that were made during the appraisal process to arrive at our opinion of value are fully discussed below. We advise the client to consider these issues carefully given the intended use of this appraisal, as their use might have affected the assignment results.

EXTRAORDINARY ASSUMPTIONS

[REDACTED]

HYPOTHETICAL CONDITIONS

[REDACTED]

Our opinion of value reflects current conditions and the likely actions of market participants as of the date of value. It is based on the available information gathered and provided to us, as presented in this report, and does not predict future performance. Changing market or property conditions can and likely will have an effect on the subject's value.

LETTER OF TRANSMITTAL

CONTINUED

EXHIBIT B - PUBLIC

CHS210220

The signatures below indicate our assurance to the client that the development process and extent of analysis for this assignment adhere to the scope requirements and intended use of the appraisal. If you have any specific questions or concerns regarding the attached appraisal report, or if Colliers International Valuation & Advisory Services can be of additional assistance, please contact the individuals listed below.

Sincerely,

**COLLIERS INTERNATIONAL
VALUATION & ADVISORY SERVICES**



Curtis S. McCall, Jr., CRE, MAI
Executive Managing Director | Carolinas Region Lead
Certified General Real Estate Appraiser
State of South Carolina License #CG 305
+1 843 442 1915
curt.mccall@colliers.com



Jerry P. Gisclair II MAI, MRICS
Executive Managing Director - National Client Services
Certified General Real Estate Appraiser
State of South Carolina License #6865
+1 813 871 8531
jerry.gisclair@colliers.com

TABLE OF CONTENTS

EXHIBIT B - PUBLIC

CHS210220

LETTER OF TRANSMITTAL

Aerial Photograph	4
Subject Property Photographs	5
Identification of Appraisal Assignment	8
Scope of Work	11

DESCRIPTIONS & EXHIBITS

Regional Map	13
Regional Analysis	14
Local Area Map	19
Local Area Analysis	20
Site Description	28
Plat Map	30
Tax Map	31
ZONING MAP	32
Flood Map	33
Assessment & Taxation	34
Zoning Analysis	35
Market Analysis	36
Market Analysis	36
Highest & Best Use	40

VALUATION

Valuation Methods	42
Land Valuation	42
Land Sales Summation Table	43
Land Sales Location Map	45
Land Sales Data Sheets	46
Calculation of Land Value	50
Land Sales Summation Table	51
Land Sales Two Location Map	52
Land Sales Data Sheets	53
Calculation of Land Value Two	58
Reconciliation of Value Conclusions	63

CERTIFICATION

ASSUMPTIONS & LIMITING CONDITIONS

ADDENDA

Engagement Letter
Valuation Glossary
Qualifications of Appraisers
Qualifications of Colliers International Valuation & Advisory Services

EXECUTIVE SUMMARY

EXHIBIT B - PUBLIC

CHS210220

GENERAL INFORMATION

Property Name	Sand Dunes Property
Property Type	Land - Water Related Land
Address	1735 Atlantic Avenue
Town	Sullivans Island
State	South Carolina
Zip Code	29482
County	Charleston
Core Based Statistical Area (CBSA)	Charleston-North Charleston, SC
Market	Charleston-N.Charleston, MSA
Submarket	East Cooper
Latitude	32.756812
Longitude	-79.847049
Number Of Parcels	5
Assessor Parcels	523-12-00-019, 523-12-00-020, 523-12-00-021, 523-12-00-022 and 523-12-00-023
Census Tract Number	48.00

SITE INFORMATION

Land Area	Acres	Square Feet
Usable	3.47	151,153
Unusable	0.00	0
Excess	0.00	0
<u>Surplus</u>	<u>0.00</u>	<u>0</u>
Total	3.47	151,153
Topography	Level at street grade	
Shape	Irregular	
Access	Good	
Exposure	Good/Excellent	
Current Zoning	One Family Residential District (RS)	
Flood Zone	Zone AE & Zone AE	
Seismic Zone	Very High Risk	

IMPROVEMENT INFORMATION

EXISTING	
Clubhouse (Event Center)	11,500 SF
PROPOSED UNDER HIGHEST AND BEST USE	
Front Beach Lots	3
Rear Front Beach Lots	6
Total Propsoed Residential Lots	9

HIGHEST & BEST USE

As Vacant	Single Family Residential Development
As Improved	Remove Existing Improvements And Redevelop With 9 Single Family Residential Lots

EXPOSURE TIME & MARKETING PERIOD

Exposure Time	Six Months or Less
Marketing Period	Six Months or Less

EXECUTIVE SUMMARY

CONTINUED

EXHIBIT B - PUBLIC

CHS210220

VALUATION SUMMARY

VALUATION INDICES

MARKET VALUE

INTEREST APPRAISED

FEE SIMPLE

DATE OF VALUE

AUGUST 6, 2021

VALUATION

Retail Lot Values

Parcel 14

Parcel 28A

Parcel 28B

Parcel 29

Parcel 28C

Parcel 28D

Parcel 28E

Parcel 27

Parcel 26

Discounted Cash Flow

Average Lot Price

Gross Retail

Projected Sales /Qtr

Discount Rate

INDICATED VALUE

FINAL VALUE CONCLUSION

FINAL VALUE

Per SF

SWOT ANALYSIS

SWOT is an acronym for the internal strengths and weaknesses of an asset and the environmental (external) opportunities and threats facing that property. Based on our analysis of the subject property we have identified the following strengths, weaknesses, opportunities and threats.

Strengths

- › Very unique property given the size and beach frontage on Sullivans Island.
- › Sullivans Island and the East Cooper area in general is one for the most popular bedroom communities in the Charleston MSA and possess some of the highest community demographics in SC.
- › Demand for residential housing in the East Cooper area is strong.

Weaknesses

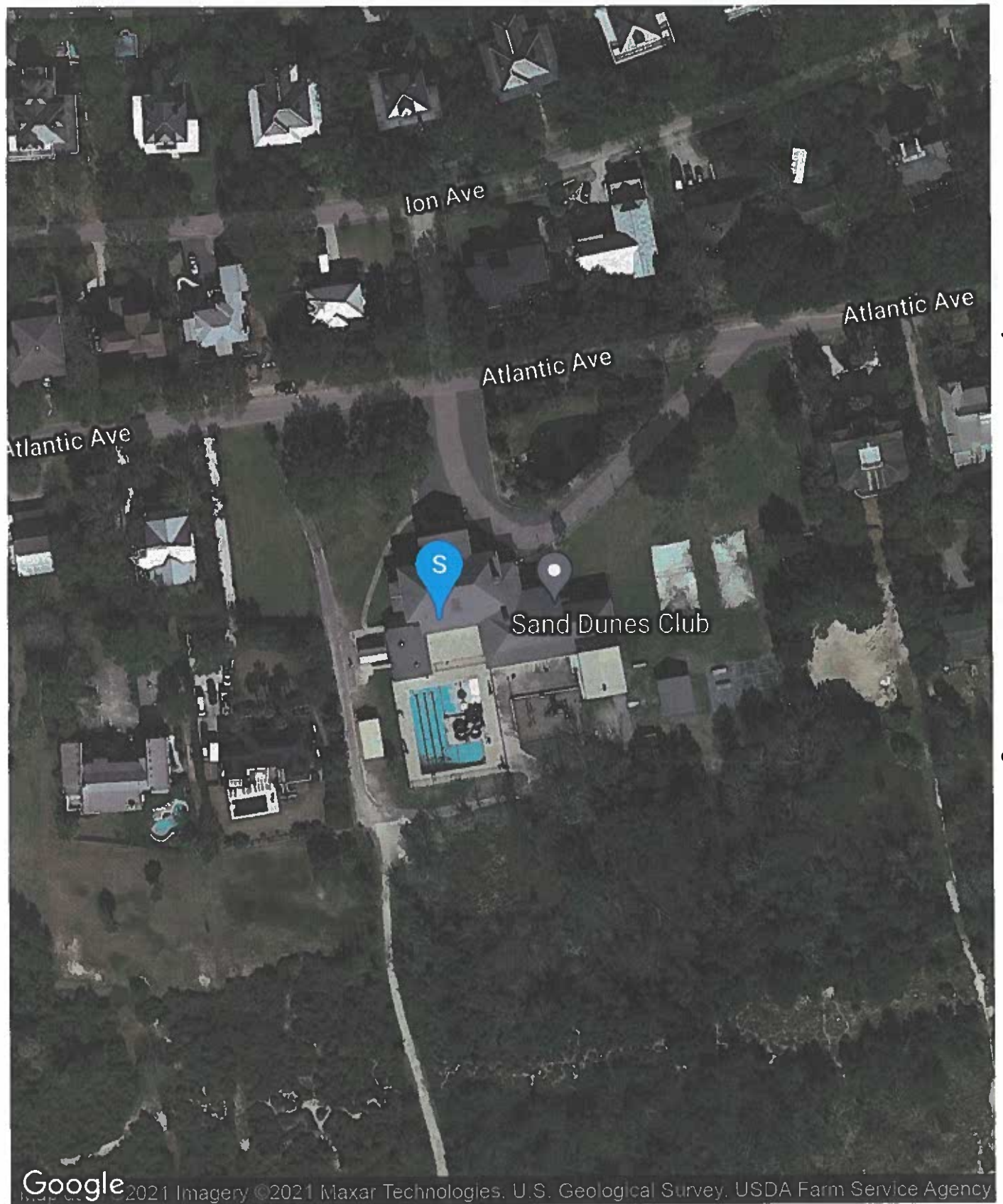
- › None noted

Opportunities

- › Prime property for residential development.

Threats

- › None noted.



SUBJECT PROPERTY PHOTOGRAPHS

EXHIBIT B - PUBLIC

CHS210220



SUBJECT PROPERTY



SUBJECT PROPERTY



SUBJECT PROPERTY



SUBJECT PROPERTY



SUBJECT PROPERTY



SUBJECT PROPERTY

ACCEPTED FOR PROCESSING - 2022 January 20 9:07 AM - SCPSC - 2021-374-E - Page 10 of 98

SUBJECT PROPERTY PHOTOGRAPHS

CONTINUED

EXHIBIT B - PUBLIC

CHS210220



SUBJECT PROPERTY



BEACH ACCESS



INTERIOR VIEW OF CLUBHOUSE



POOL



SUBJECT PROPERTY



SUBJECT PROPERTY

SUBJECT PROPERTY PHOTOGRAPHS

CONTINUED

EXHIBIT B - PUBLIC

CHS210220



BEACH VIEW



BEACH VIEW



BEACH VIEW



BEACH VIEW



ATLANTIC AVENUE FACING NORTH



ATLANTIC AVENUE FACING SOUTH

IDENTIFICATION OF APPRAISAL ASSIGNMENT

EXHIBIT B - PUBLIC

CHS210220

PROPERTY IDENTIFICATION

The subject consists of five adjacent tax parcels located on Atlantic Avenue with frontage on the Atlantic Ocean. Four of the five parcels are vacant residential lots, and one is a 2.01 acre site that is improved with a 11,500 SF clubhouse. The entire property is known as the Sand Dunes Club, a longstanding and popular event facility that has a high community profile. The parcels are identified as follows

BREAKDOWN OF SAND DUNES PARCELS

PARCEL	Lot	USABLE		TOTAL		FRONTING STREET	SHAPE	BEACH ACCESS	BEACH FRONTAGE	FLOOD PLAIN
		SF	AC	SF	AC					
523-12-00-019	29	11,761	0.27	11,761	0.27	Atlantic Avenue	Irregular	Adjacent to Access Path	0.00'	Zone AE
523-12-00-020	28	87,556	2.01	87,556	2.01	Atlantic Avenue	Irregular	Yes	249.72'	Zone AE
523-12-00-021	27	10,454	0.24	10,454	0.24	Atlantic Avenue	Irregular	Adjacent to Access Path	0.00'	Zone AE
523-12-00-022	14	26,572	0.61	26,572	0.61	Atlantic Avenue	Irregular	Yes	134.77'	Zone AE
523-12-00-023	26	14,810	0.34	14,810	0.34	Atlantic Avenue	Irregular	Yes	10.03'	Zone AE
TOTAL		151,153	3.47	151,153	3.47					

CLIENT IDENTIFICATION

The client of this specific assignment is Nexsen Pruet, LLC.

PURPOSE

The purpose of this appraisal is to develop an opinion of the As-Is Market Value of the subject property's fee simple interest.

INTENDED USE

The intended use of this appraisal is to assist the client in making internal business decisions related to this asset.

INTENDED USERS

Nexsen Pruet, LLC is the only intended user of this report. Use of this report by third parties and other unintended users is not permitted. This report must be used in its entirety. Reliance on any portion of the report independent of others, may lead the reader to erroneous conclusions regarding the property values. Unless approval is provided by the authors no portion of the report stands alone.

ASSIGNMENT DATES

Date of Report	August 30, 2021
Date of Inspection	August 6, 2021
Valuation Date - As-Is	August 6, 2021

PERSONAL INTANGIBLE PROPERTY

No personal property or intangible items are included in this valuation.

PROPERTY AND SALES HISTORY**Current Owner**

Ownership of the property is in the name of South Carolina Electric & Gas Company (now Dominion Energy) having been acquired through a series of transactions as follows:

Lot 29 (TMS 523-12-00-019)

This parcel was conveyed to South Carolina Electric & Gas Company from The State of South Carolina and The Board of Township of Commissioners for Sullivan's Island, on dated December 3, 1953, as recorded in the Charleston County RMC Office Deed Book C058 at Page 297. The recorded consideration was \$750.

Lot 28 (TMS 523-12-00-020)

This parcel was conveyed to South Carolina Electric & Gas Company from The State of South Carolina and The Board of Township of Commissioners for Sullivan's Island, on November 21, 1989 by deed V188, Page 741.

Lot 27 (TMS 523-12-00-021)

This parcel was conveyed to South Carolina Electric & Gas Company from The State of South Carolina and The Board of Township of Commissioners for Sullivan's Island, on dated December 3, 1953, as recorded in the Charleston County RMC Office Deed Book C058 at Page 296. The recorded consideration was \$750.

Lot 14 (TMS 523-12-00-022)

This parcel was conveyed to South Carolina Electric & Gas Company from The State of South Carolina and The Board of Township of Commissioners for Sullivan's Island, on dated December 3, 1953, as recorded in the Charleston County RMC Office Deed Book C058 at Page 295. The recorded consideration was \$750.

Lot 26 (TMS 523-12-00-023)

This parcel was conveyed to South Carolina Electric & Gas Company from The State of South Carolina and The Board of Township of Commissioners for Sullivan's Island, on dated December 3, 1953, as recorded in the Charleston County RMC Office Deed Book C058 at Page 298. The recorded consideration was \$750.

Three-Year Sales History

Research of the applicable public records, private data services and an interview of the current owner and/or broker revealed that the subject property has not transferred during the past three years of the effective date of value stated in this report.

Subject Sale Status

Research of the applicable public records, private data services and an interview of the current owner and/or broker revealed that the subject property is not under a current agreement of sale or option and is not currently offered for sale on the open market.

DEFINITIONS

This section summarizes the definitions of value, property rights appraised, and value scenarios that are applicable for this appraisal assignment. All other applicable definitions for this assignment are located in the Valuation Glossary section of the Addenda.

DEFINITIONS OF VALUE

Given the scope and intended use of this assignment, the following definition of value is applicable:

Market Value

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently, knowledgeably, and assuming that the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised, and acting in what they consider their own best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.¹

PROPERTY RIGHTS APPRAISED

The property rights appraised constitute the fee simple interest.

Fee Simple Estate

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat.²

VALUE SCENARIOS

As-Is Value

The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date.³

¹ Office of Comptroller of the Currency (OCC), Title 12 of the Code of Federal Regulation, Part 34, Subpart C - Appraisals, 34.42 (g); Office of Thrift Supervision (OTS), 12 CFR 564.2 (g); This is also compatible with the FDIC, FRS and NCUA definitions of market value.

² The Dictionary of Real Estate Appraisal, Sixth Edition, Appraisal Institute, Chicago, Illinois, 2015

³ The Dictionary of Real Estate Appraisal, Sixth Edition, Appraisal Institute, Chicago, Illinois, 2015

INTRODUCTION

The appraisal development and reporting processes requires gathering and analyzing information about those assignment elements necessary to properly identify the appraisal problem to be solved. The scope of work decision must include the research and analyses that are necessary to develop credible assignment results given the intended use of the appraisal. Sufficient information includes disclosure of research and analyses performed and might also include disclosure of research and analyses not performed. The scope of work for this appraisal assignment is outlined below:

- › The appraisers analyzed the regional and local area economic profiles including employment, population, household income, and real estate trends. The local area was further studied to assess the general quality and condition, and emerging development trends for the real estate market. The immediate market area was inspected and examined to consider external influences on the subject.
- › The appraisers confirmed and analyzed legal and physical features of the subject property including sizes of the site and improvements, flood plain data, seismic zone, zoning, easements and encumbrances, access and exposure of the site, and construction materials and condition of the improvements. This process also included estimating the remaining economic life of the improvements, analysis of the subject's site coverage and parking ratios compared to market standards, a process to identify deferred maintenance and a conclusion of the subject's overall functional utility.
- › The appraisers completed a residential market analysis that included market and sub-market overviews. The Charleston-N.Charleston, MSA market and East Cooper sub-market overviews analyzed supply/demand conditions. Conclusions were drawn regarding the subject property's competitive position given its physical and locational characteristics, the prevailing economic conditions and external influences.
- › The appraisers conducted a Highest and Best Use analysis, determining the highest and best use of the subject property As-Vacant and As-Improved. The analysis considered legal, locational, physical and financial feasibility characteristics of the subject property. Development of the Highest and Best Use As-Improved explored potential alternative treatments of the property including demolition, expansion, renovation, conversion, and continued use "as-is."
- › Selection of the valuation methods was based on the identifications required in USPAP relating to the intended use, intended users, definition and date of value, relevant property characteristics and assignment conditions. As a result, this appraisal developed the Development and the Sales Comparison approaches to value. The resulting value indicators were reconciled within the Analysis of Value Conclusions section. The appraisal develops an opinion of the As-Is Market Value of the subject property's fee simple interest. The reasoning for including or excluding traditional approaches to value is developed within the Valuation Methodology section.
- › Reporting of this appraisal is in an Appraisal Report format as required in USPAP Standard 2. The appraiser's analysis and conclusions are summarized within this document.
- › We understand the Competency Rule of USPAP and the authors of this report meet the standards.
- › No one provided significant real property appraisal assistance to appraisers signing this certification.

SCOPE OF WORK

CONTINUED

EXHIBIT B - PUBLIC

CHS210220

SOURCES OF INFORMATION

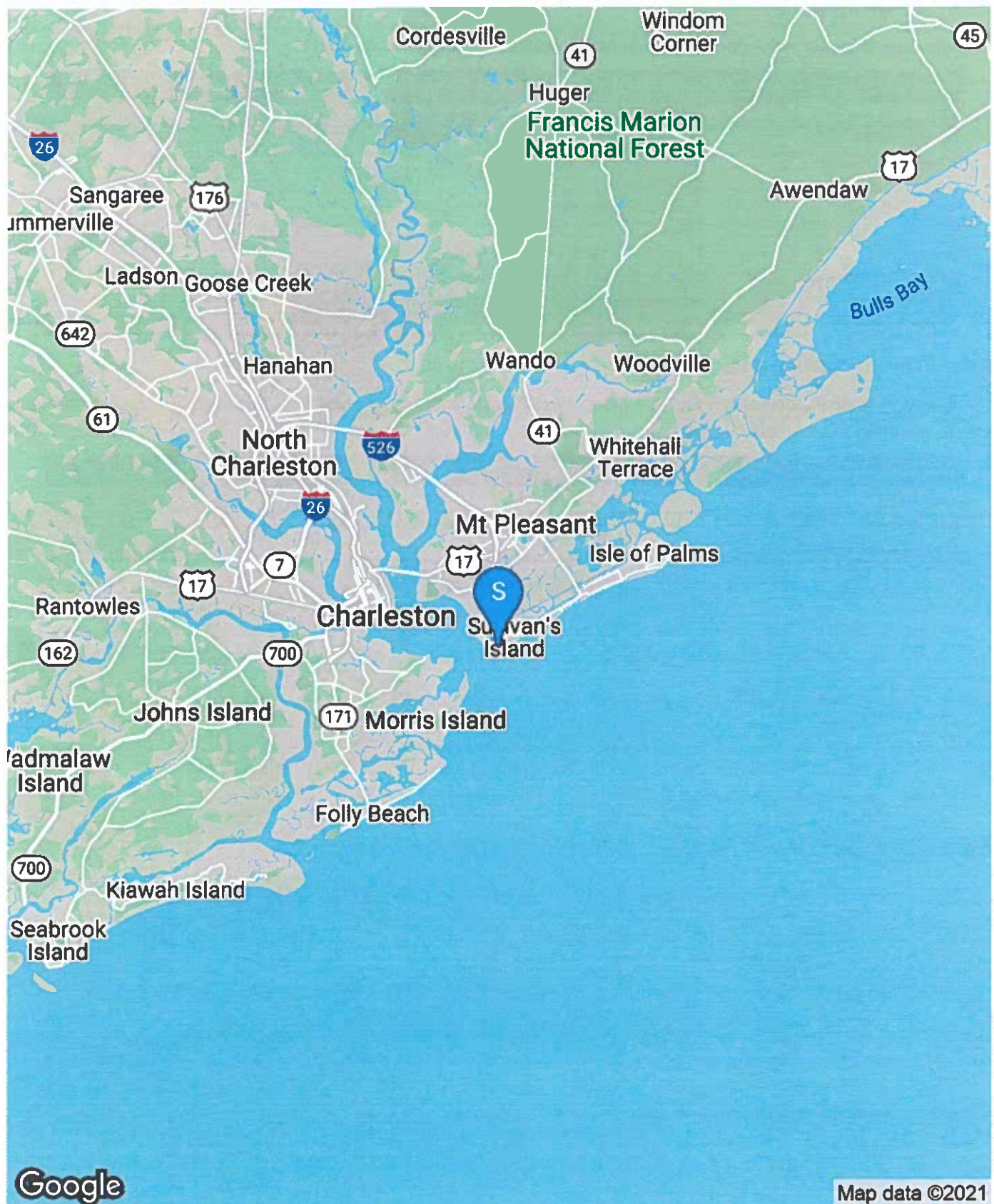
The following sources were contacted to obtain relevant information:

SOURCES OF INFORMATION	
ITEM	SOURCE
Tax Information	Charleston County Tax Assessor
Zoning Information	Charleston County Zoning Code
Site Size Information	Public Record
New Construction	Town of Sullivan's Island / Charleston County
Flood Map	FEMA
Demographics	Pitney Bowes/Gadberry Group - GroundView®
Comparable Information	See Comparable Datasheets for details
Legal Description	Recorded Plat
Other Property Data	Client

SUBJECT PROPERTY INSPECTION

The following table illustrates the Colliers International professionals involved with this appraisal report and their status related to the property inspection.

SUBJECT PROPERTY INSPECTION			
APPRAISER	INSPECTED	EXTENT	DATE OF INSPECTION
Curtis S. McCall, Jr., CRE, MAI	Yes	Interior/Exterior	August 6, 2021
Jerry P. Gisclair II MAI, MRICS	No	-	August 6, 2021



INTRODUCTION

The Charleston-North Charleston, SC Metropolitan Statistical Area is comprised of Dorchester, Charleston, and Berkeley counties in southeastern South Carolina. The principal cities within the MSA include Charleston, North Charleston, and Summerville. The area is also known as the Low County, or the Tri-County Area. Main thoroughfares serving the region include Interstate 26 and U.S. Route 17. The region is served by Charleston International Airport in North Charleston. The MSA has one of the nation's most notable medical hubs, a one-billion-dollar tourism industry, a large military presence, an established base for international/national manufacturers, and the seventh largest U.S. seaport in dollar value of cargo handled. The area has been ranked as the fifth best in the nation for the high-technology industry, and Forbes Magazine has consistently ranked the region as one of the Best Places for Business and Careers. Within the last decade the Port of Charleston has seen a notable increase in container volume, ranking among the top 10 ports in the nation for the last 15 years. Shipping firms within the MSA serve approximately 150 nations, with top markets in Asia and Northern Europe. The Medical University of South Carolina is one of the region's top employers with approximately 1,500 faculty members and an annual \$1.6 billion operating budget, producing a regional economic impact of approximately \$3.5 billion. As South Carolina's main teaching hospital, The Medical University of South Carolina has seen significant infrastructure improvement within the last five years. Within the Tri-County Area, lodging sales reach approximately \$740 million annually, making the tourism industry a vital part of the regional economy. Charleston receives approximately five million visitors a year and has worldwide recognition as one of the top cities in the nation to visit.



DEMOGRAPHIC ANALYSIS

The following is a demographic study of the region sourced by Pitney Bowes/Gadberry Group - GroundView®, an on-line resource center that provides information used to analyze and compare the past, present, and future trends of geographical areas. Demographic changes are often highly correlated to changes in the underlying economic climate. Periods of economic uncertainty necessarily make demographic projections somewhat less reliable than projections in more stable periods. These projections are used as a starting point, but we also consider current and localized market knowledge in interpreting them within this analysis. Please note that our demographics provider sets forth income projections in constant dollars which, by definition, reflect projections after adjustment for inflation. We are aware of other prominent demographic data providers that project income in current dollars, which do not account for inflation. A simple comparison of projections for a similar market area made under the constant and current dollar methodologies can and likely will produce data points that vary, in some cases, widely. Further, all forecasts, regardless of demographer methodology(ies), are subjective in the sense that the reliability of the forecast is subject to modeling and definitional assumptions and procedures.

Population

According to Pitney Bowes/Gadberry Group - GroundView®, a Geographic Information System (GIS) Company, the Charleston-North Charleston metropolitan area had a 2020 total population of 817,446 and experienced an annual growth rate of 2.1%, which was higher than the South Carolina annual growth rate of 1.2%. The metropolitan area accounted for 15.7% of the total South Carolina population (5,207,451). Within the metropolitan area the population density was 292 people per square mile compared to the lower South Carolina population density of 168 people per square mile and the lower United States population density of 92 people per square mile.

REGIONAL ANALYSIS

CONTINUED

EXHIBIT B - PUBLIC

CHS210220

POPULATION			
YEAR	US	SC	CBSA
2010 Total Population	308,745,538	4,625,364	664,607
2020 Total Population	330,412,290	5,207,451	817,446
2025 Total Population	341,167,877	5,500,478	893,881
2010 - 2020 CAGR	0.7%	1.2%	2.1%
2020 - 2025 CAGR	0.6%	1.1%	1.8%

Source: Pitney Bowes/Gadberry Group - GroundView®

POPULATION DENSITY			
YEAR	US	SC	CBSA
2020 Per Square Mile	92	168	292
2025 Per Square Mile	95	178	319

Source: Pitney Bowes/Gadberry Group - GroundView®

The 2020 median age for the metropolitan area was 37.60, which was 1.69% younger than the United States median age of 38.24 for 2020. The median age in the metropolitan area is anticipated to grow by 0.42% annually, increasing the median age to 38.39 by 2025.

MEDIAN AGE			
YEAR	US	SC	CBSA
2020	38.24	39.65	37.60
2025	38.97	40.61	38.39
CAGR	0.38%	0.48%	0.42%

Source: Pitney Bowes/Gadberry Group - GroundView®

Education

Institutions of higher education in the region include the College of Charleston, The Medical University of South Carolina, and The Citadel: The Military College of South Carolina. The College of Charleston is the 13th oldest college in the nation, with an annual enrollment of approximately 12,000 and with an administrative staff of approximately 800. The Citadel, in Charleston, is one of six senior military colleges in the nation, and has 17 academic departments divided into five schools, offering 36 minor degrees and 19 major degrees.

Household Trends

The 2020 number of households in the metropolitan area was 313,764. The number of households in the metropolitan area is projected to grow by 1.7% annually, increasing the number of households to 341,108 by 2025. The 2020 average household size for the metropolitan area was 2.55, which was -1.18% smaller than the United States average household size of 2.58 for 2020. The average household size in the metropolitan area is anticipated to grow by 0.15% annually, raising the average household size to 2.57 by 2025.

NUMBER OF HOUSEHOLDS			
YEAR	US	SC	CBSA
2020	124,774,359	2,031,177	313,764
2025	128,904,424	2,149,045	341,108
CAGR	0.7%	1.1%	1.7%

Source: Pitney Bowes/Gadberry Group - GroundView®

AVERAGE HOUSEHOLD SIZE			
YEAR	US	SC	CBSA
2020	2.58	2.50	2.55
2025	2.58	2.50	2.57
CAGR	0.00%	0.00%	0.15%

Source: Pitney Bowes/Gadberry Group - GroundView®

REGIONAL ANALYSIS

CONTINUED

EXHIBIT B - PUBLIC

CHS210220

The Charleston-North Charleston metropolitan area had 33.16% renter occupied units, compared to the lower 30.05% in South Carolina and the higher 34.78% in the United States.

HOUSING UNITS			
	US	SC	CBSA
Owner Occupied	65.22%	69.95%	66.84%
Renter Occupied	34.78%	30.05%	33.16%

Source: Pitney Bowes/Gadberry Group - GroundView®

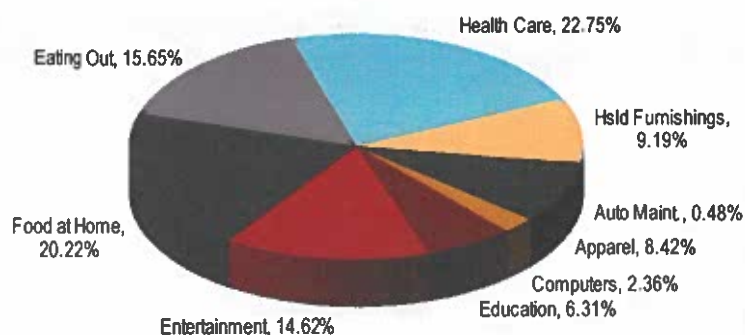
The 2020 median household income for the metropolitan area was \$63,678, which was 1.3% higher than the United States median household income of \$62,847. The median household income for the metropolitan area is projected to grow by 3.8% annually, increasing the median household income to \$76,902 by 2025.

As is often the case when the median household income levels are similar to than the national average, the cost of living index is also similar. According to the American Chamber of Commerce Researchers Association (ACCRA) Cost of Living Index, the Charleston-North Charleston, SC MSA's cost of living is 98.5 compared to the national average score of 100. The ACCRA Cost of Living Index compares groceries, housing, utilities, transportation, health care and miscellaneous goods and services for over 300 urban areas.

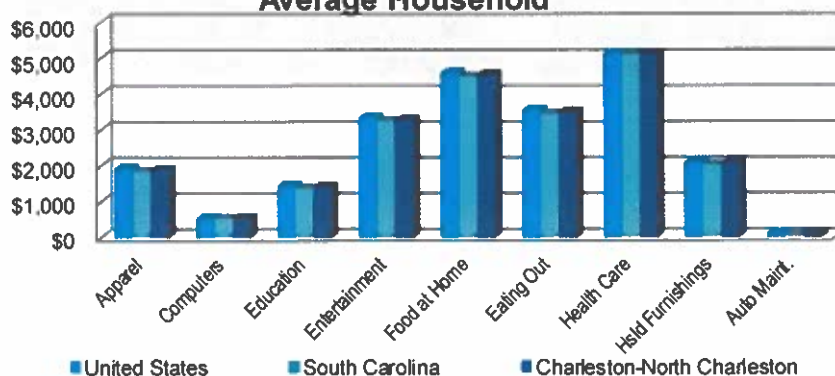
MEDIAN HOUSEHOLD INCOME			
YEAR	US	SC	CBSA
2020	\$62,847	\$52,870	\$63,678
2025	\$75,115	\$63,556	\$76,902
CAGR	3.6%	3.8%	3.8%

Source: Pitney Bowes/Gadberry Group - GroundView®

Consumer Spending Charleston-North Charleston



Consumer Spending Comparison Average Household



REGIONAL ANALYSIS

CONTINUED

EXHIBIT B - PUBLIC

CHS210220

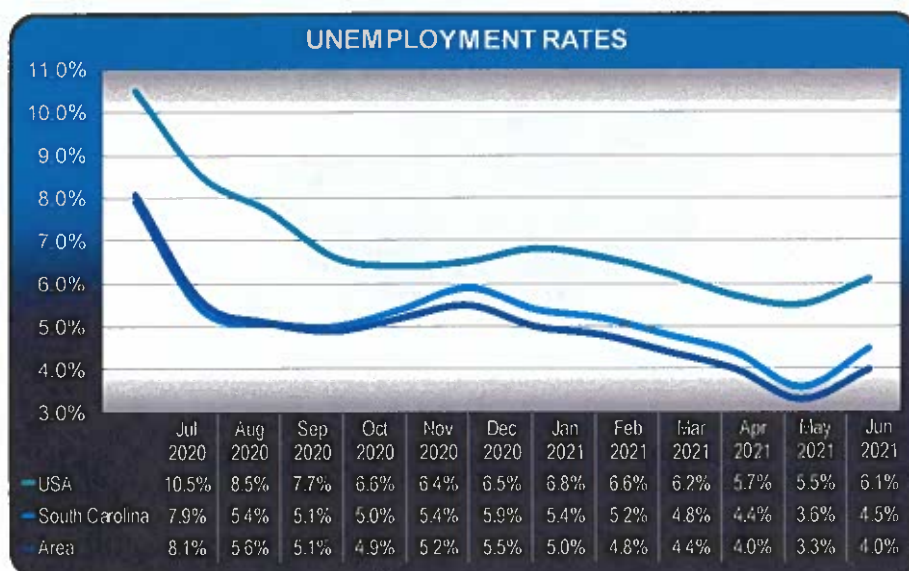
EMPLOYMENT

Total employment has increased annually over the past decade in the state of South Carolina by 1.5% and increased annually by 2.1% in the area. From 2019 to 2020 unemployment increased in South Carolina by 3.4% and increased by 3.7% in the area. In the state of South Carolina unemployment has increased over the previous month by 0.9% and increased by 0.7% in the area.

EMPLOYMENT & UNEMPLOYMENT STATISTICS 2011 - 2020

TOTAL EMPLOYMENT					UNEMPLOYMENT RATE		
Year	South Carolina		Charleston-North Charleston, SC Metropolitan Statistical Area		United States*	South Carolina	Charleston-North Charleston, SC Metropolitan Statistical Area
	Total	% Δ Yr Ago	Total	% Δ Yr Ago			
2011	1,957,493	1.5%	308,175	3.1%	8.9%	10.4%	8.7%
2012	1,992,957	1.8%	318,178	3.2%	8.1%	9.0%	7.4%
2013	2,034,404	2.1%	325,009	2.1%	7.4%	7.4%	6.1%
2014	2,082,941	2.4%	334,555	2.9%	6.2%	6.3%	5.4%
2015	2,134,087	2.5%	345,667	3.3%	5.3%	5.9%	5.1%
2016	2,174,301	1.9%	355,215	2.8%	4.9%	4.9%	4.2%
2017	2,200,602	1.2%	362,233	2.0%	4.4%	4.2%	3.6%
2018	2,242,438	1.9%	371,774	2.6%	3.9%	3.4%	2.9%
2019	2,302,573	2.7%	385,070	3.6%	3.7%	2.8%	2.3%
2020	2,237,407	(2.8%)	370,769	(3.7%)	8.1%	6.2%	6.0%
CAGR	1.5%	-	2.1%	-	-	-	-

Source: U.S. Bureau of Labor Statistics *Unadjusted Non-Seasonal Rate



REGIONAL ANALYSIS

CONTINUED

EXHIBIT B - PUBLIC

CHS210220

TOP EMPLOYERS		
EMPLOYER NAME	EMPLOYEES	INDUSTRY
Joint Base Charleston	22,000	Government
Medical University of South Carolina	13,000	Healthcare
Boeing	7,000	Industrial
Berkeley County School District	6,500	Education
Charleston County School District	6,500	Education
Roper St. Francis Healthcare	6,500	Healthcare
Dorchester County School District II	4,000	Education
Charleston County	2,500	Local Government
Trident Health System	2,500	Healthcare
Walmart	2,500	Retail

Source: <https://www.charlestonchamber.org/wp-content/uploads/2019/04/Charleston-MS>

The preceding chart depicts the top employers in the area. The top employer in the area is Joint Base Charleston, a United States military facility in both Goose Creek and North Charleston. The facility is under the jurisdiction of the U.S. Air Force 628th Air Base Wing. The joint base shares runways for both commercial and general aviation aircraft operations with the Charleston International Airport. The Medical University of South Carolina is the second largest employer in the MSA. The state university operates a medical center and six colleges for the education of biomedical scientists and health professionals. The university operates a public hospital and a research center. The fifth largest employer is the Boeing Company with 5,700 employees. The Boeing facility is the company's second 787 Dreamliner final assembly and delivery facility.

AIRPORT

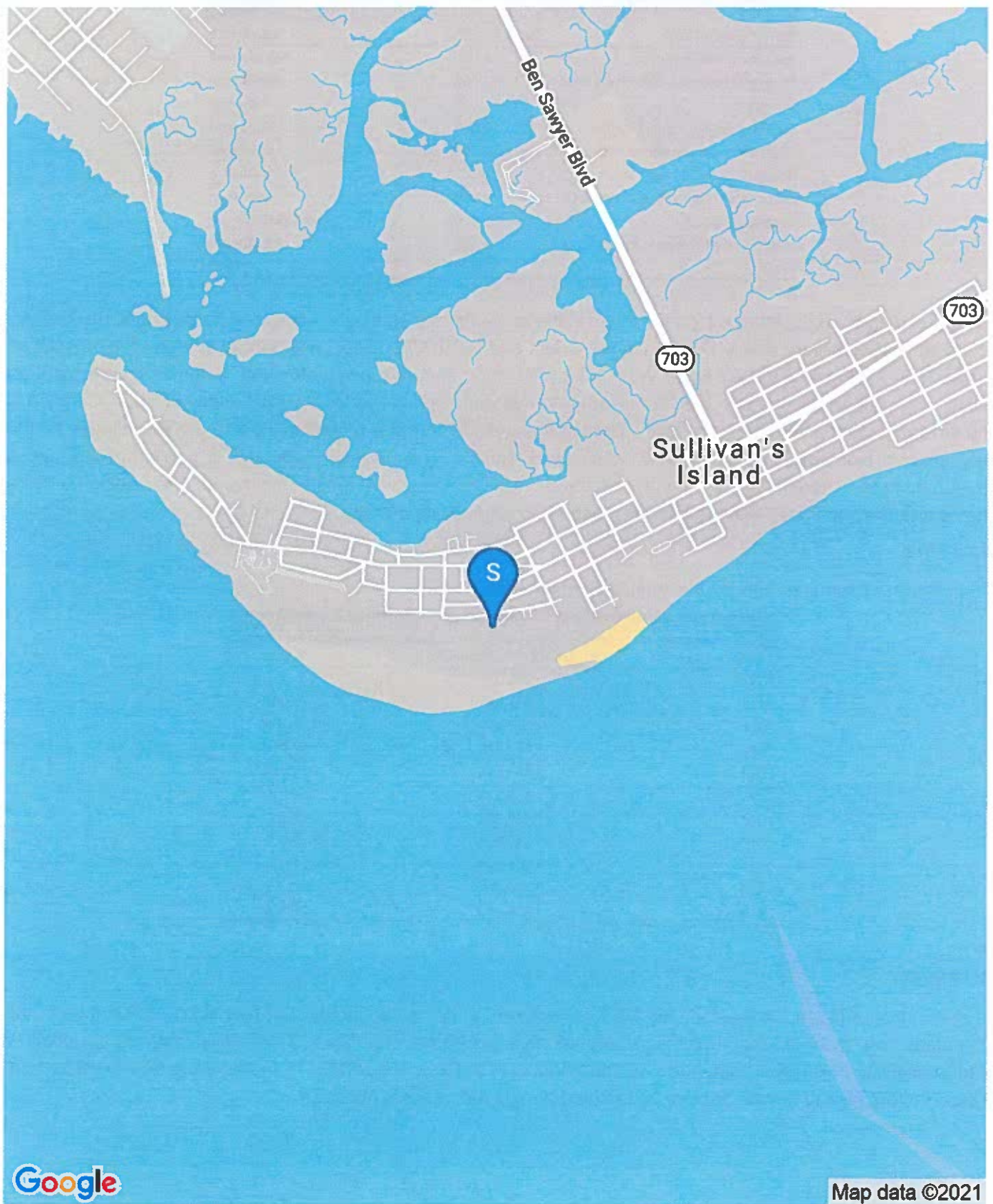
The following chart summarizes the local airport statistics.

CHARLESTON AFB/INTERNATIONAL AIRPORT (CHS)		
YEAR	ENPLANED PASSENGERS	% CHG
2009	1,095,038	-
2010	1,013,418	(7.5%)
2011	1,247,459	23.1%
2012	1,283,970	2.9%
2013	1,441,415	12.3%
2014	1,539,326	6.8%
2015	1,669,960	8.5%
2016	1,811,695	8.5%
2017	1,945,699	7.4%
2018	2,192,893	12.7%
2019	2,375,868	8.3%

Source: U.S. Department of Transportation

SUMMARY

The Charleston-North Charleston, SC MSA is home to a diverse economy that has strong influences in the manufacturing, technological, healthcare, and tourism industries. The Charleston metropolitan area's location, and availability of efficient transportation infrastructure, make it a desirable manufacturing and logistics hub. These factors should have a positive impact and benefit the regional economy.



INTRODUCTION

In this section of the report, we provide details about the local area and describe the influences that bear on the real estate market as well as the subject property. A map of the local area is presented on the prior page. Below are insights into the local area based on fieldwork, interviews, demographic data and experience working in this market.

LOCAL AREA PROFILE

Sullivan's Island is the first of a chain of barrier islands along the Atlantic Ocean that extend from the entrance to the Charleston Harbor along the west to Bull Island and further points east. Sullivan's Island and the Isle of Palms are both connected to the mainland, while the other islands are only accessible by boat.

Sullivan's Island is a mix of permanent residences and summer resort properties with a small commercial strip located on Middle Street. The summer rental market is active and the beach is a popular attraction for residents of Mt. Pleasant and Charleston. The retail/commercial business depends on the increased summer traffic to support operations, although the permanent population is sufficient to support the existing commercial base in the winter months.

While both islands (IOP) have a mixture of residential, commercial and institutional uses, Sullivan's Island is more heavily developed with single-family residential uses. It originally developed as a second home area for the downtown Charleston population, but over the years began to convert to a year round population. Although there is a strong vacation rental business on the island, the vast majority of houses are primary residences.

DEMOGRAPHIC PROFILE

Below is a demographic study of the area, sourced by Pitney Bowes/Gadberry Group - GroundView®, an on-line resource center that provides information used to analyze and compare the past, present, and future trends of properties and geographical areas. Please note that our demographics provider sets forth income projections in constant dollars which, by definition, reflect projections after adjustment for inflation. We are aware of other prominent demographic data providers that project income in current dollars, which do not account for inflation. A simple comparison of projections for a similar market area made under the constant and current dollar methodologies can and likely will produce data points that vary, in some cases, widely. Further, all forecasts, regardless of demographer methodology(ies), are subjective in the sense that the reliability of the forecast is subject to modeling and definitional assumptions and procedures.

LOCAL AREA ANALYSIS

CONTINUED

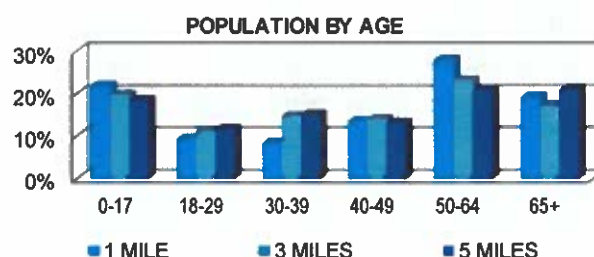
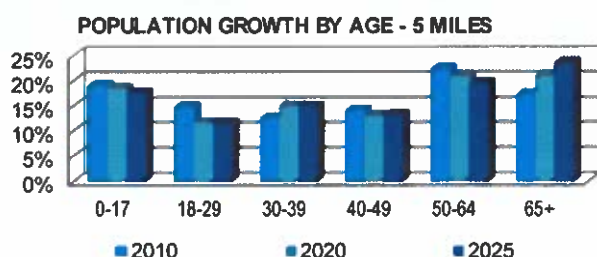
EXHIBIT B - PUBLIC

CHS210220

LOCAL AREA DEMOGRAPHICS

DESCRIPTION	1 MILE	3 MILES	5 MILES	DESCRIPTION	1 MILE	3 MILES	5 MILES
POPULATION				AVERAGE HOUSEHOLD INCOME			
2000 Population	1,112	9,227	35,434	2020	\$192,854	\$135,353	\$134,431
2010 Population	1,058	8,945	38,162	2025	\$223,417	\$158,467	\$157,719
2020 Population	1,147	10,726	44,528	Change 2020-2025	15.85%	17.08%	17.32%
2025 Population	1,166	11,649	47,779	MEDIAN HOUSEHOLD INCOME			
Change 2000-2010	(4.86%)	(3.06%)	7.70%	2020	\$144,791	\$94,011	\$94,088
Change 2010-2020	8.41%	19.91%	16.68%	2025	\$203,137	\$114,541	\$120,131
Change 2020-2025	1.66%	8.61%	7.30%	Change 2020-2025	40.30%	21.84%	27.68%
POPULATION 65+				PER CAPITA INCOME			
2010 Population	153	1,222	6,598	2020	\$78,008	\$59,312	\$59,697
2020 Population	220	1,837	9,323	2025	\$90,051	\$69,437	\$69,926
2025 Population	262	2,331	11,217	Change 2020-2025	15.44%	17.07%	17.13%
Change 2010-2020	43.79%	50.33%	41.30%	2020 HOUSEHOLDS BY INCOME			
Change 2020-2025	19.09%	26.89%	20.32%	<\$15,000	7.9%	5.8%	5.1%
NUMBER OF HOUSEHOLDS				\$15,000-\$24,999	1.9%	4.6%	5.4%
2000 Households	467	3,992	14,893	\$25,000-\$34,999	4.9%	4.1%	5.9%
2010 Households	447	3,985	16,958	\$35,000-\$49,999	7.9%	10.6%	11.2%
2020 Households	468	4,687	19,604	\$50,000-\$74,999	8.8%	14.4%	13.2%
2025 Households	474	5,089	21,009	\$75,000-\$99,999	7.5%	13.8%	12.1%
Change 2000-2010	(4.28%)	(0.18%)	13.87%	\$100,000-\$149,999	13.0%	19.9%	17.8%
Change 2010-2020	4.70%	17.62%	15.60%	\$150,000-\$199,999	6.8%	6.6%	9.9%
Change 2020-2025	1.28%	8.58%	7.17%	\$200,000 or greater	41.9%	20.3%	19.5%
HOUSING UNITS (2020)				MEDIAN HOME VALUE			
Owner Occupied	351	3,352	13,174	AVERAGE HOME VALUE	\$1,451,299	\$526,985	\$477,799
Renter Occupied	114	1,347	6,495	HOUSING UNITS BY UNITS IN STRUCTURE			
HOUSING UNITS BY YEAR BUILT				1, detached	378	3,544	12,938
Built 2010 or later	22	301	1,222	1, attached	15	272	1,260
Built 2000 to 2009	71	414	2,761	2	39	84	269
Built 1990 to 1999	38	474	3,424	3 or 4	15	240	796
Built 1980 to 1989	27	705	3,728	5 to 9	17	201	1,075
Built 1970 to 1979	21	823	3,426	10 to 19	0	19	898
Built 1960 to 1969	33	772	2,542	20 to 49	0	128	1,121
Built 1950 to 1959	100	653	1,319	50 or more	0	141	976
Built 1940 to 1949	6	146	323	Mobile home	0	70	335
Built 1939 or earlier	150	398	857	Boat, RV, van, etc.	0	0	0

Source: Pitney Bowes/Gadberry Group - GroundView®



Transportation Routes

Major traffic arteries are shown in the chart below:

MAJOR ROADWAYS & THOROUGHFARES			
HIGHWAY	DIRECTION	FUNCTION	DISTANCE FROM SUBJECT
Highway 17	east-west	Local Highway	This is within 5 miles of the subject property.
Interstate 526	north	Outerbelt	This is within 5 miles of the subject property.
SURFACE STREETS	DIRECTION	FUNCTION	DISTANCE FROM SUBJECT
Atlantic Avenue	east-west	Secondary Arterial	The subject property fronts this street.
Station 18 Street	north-south	Secondary Arterial	This is just down the street from the subject property.
Middle Street	east-west	Secondary Arterial	This is within a quarter mile of the subject property.
Benn Sawyer Boulevard	north	Primary Arterial	This is within a mile of the subject property.
Coleman Boulevard	east-west	Commercial Corridor	This is within 4 miles of the subject property.

Community Services

Community services and facilities are readily available in the surrounding area. These include public services such as fire stations, hospitals, police stations, and schools (all ages).

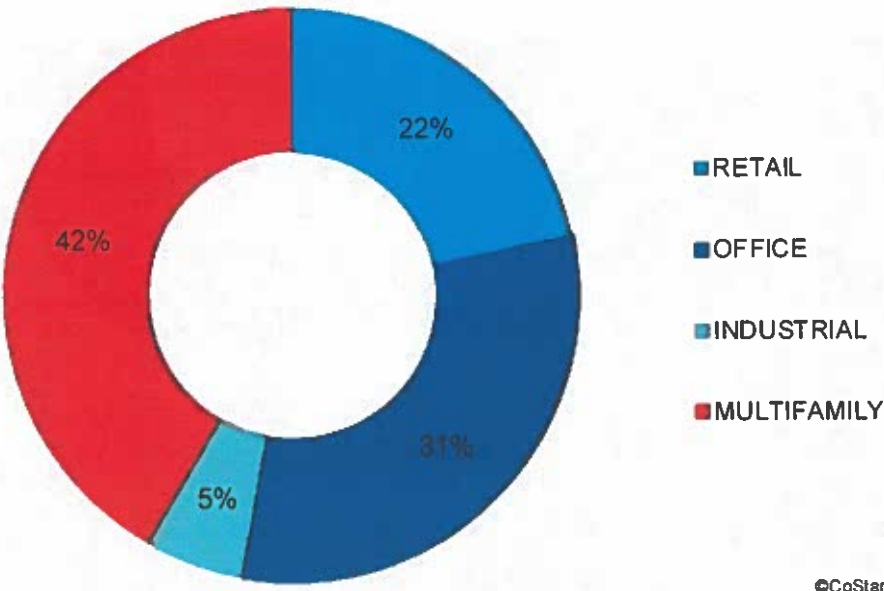
IMMEDIATE AREA PROFILE

This section discusses uses and development trends in the immediate area that directly impact the performance and appeal of the subject property.

Predominant Land Uses

Significant development in the immediate area consists of office, retail, industrial, mixed-use and auto dealership uses along major arterials that are interspersed with multi-family complexes and single-family residential development removed from arterials. The local area has a mix of commercial uses nearby and the composition is shown in the following graph.

COMMERCIAL AREA COMPOSITION



©CoStar

Residential Development

Residential users in the immediate area are primarily single family residential.

LOCAL AREA ANALYSIS

CONTINUED

EXHIBIT B - PUBLIC

CHS210220

Multi-Family Development

The following chart shows a summary of multi-family data by type in the immediate area from CoStar.

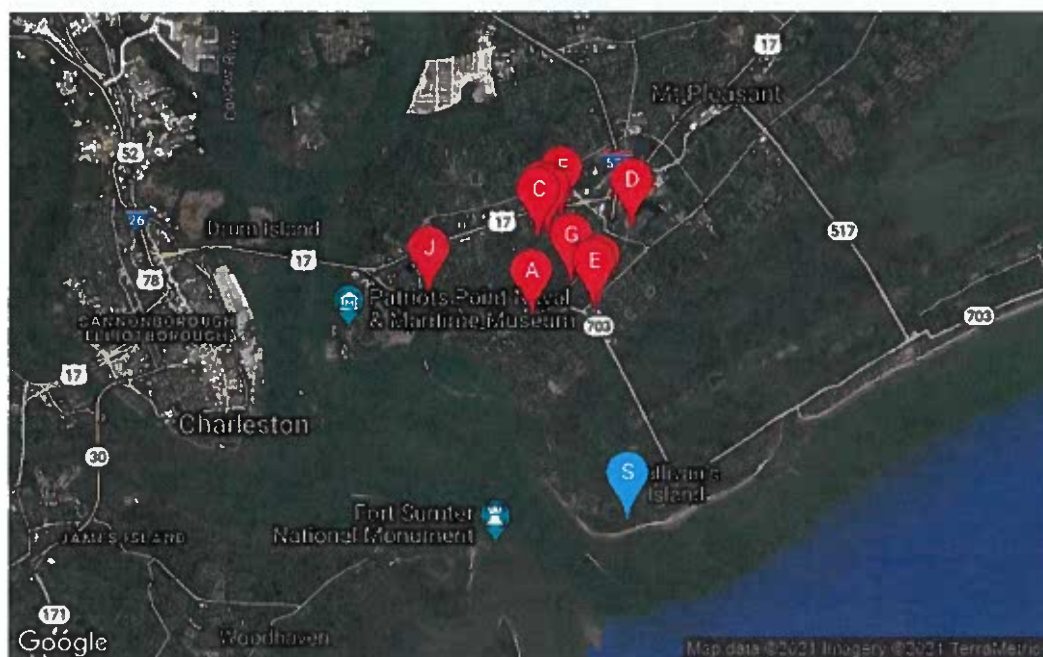
MULTIFAMILY SUMMARY			
CLASS	PROPERTIES	NRA (SF)	AVG YR BLT
A	2	559,593	2011
B	5	646,623	1983
C	5	274,691	1983
TOTAL	12	1,480,907	1988

Source: CoStar

The largest three multi-family properties are at 725-735 Coleman Boulevard, 1054 Anna Knapp Boulevard and 997 Johnnie Dodds Boulevard with an NRA of 349,368 SF, 234,480 SF and 226,394 SF that were built in 2013, 1983 and 1987, respectively. The closest large multi-family property in proximity to the subject is at 1421 Shucker Circle with an NRA of 196,664 SF that was built in 2017. The majority of properties were constructed before 2000. The following chart and map show the subject property and its location relative to the 10 largest multi-family properties in the immediate area from CoStar.

LARGEST MULTIFAMILY PROPERTIES						
NAME	DISTANCE	MAP PIN	CLASS	NRA (SF)	STORIES	YEAR BUILT
The Boulevard	2.7 Miles	A	A	349,368	4	2013
ARIUM Mt. Pleasant	3.6 Miles	B	B	234,480	2	1983
The Watch on Shem Creek	3.6 Miles	C	B	226,394	3	1987
Central Square at Watermark Apartments	3.6 Miles	D	A	210,225	3	2008
Oyster Park	2.6 Miles	E	A	196,664	4	2017
Crickentree Apartments	3.8 Miles	F	B	122,425	2	1979
Oak Leaf Townhouses	3.0 Miles	G	C	110,400	2	1979
Hunters Trace Townhomes	3.7 Miles	H	C	76,396	2	1983
Riverwood Apartments	2.7 Miles	I	C	67,904	2	1978
Queens Court	3.7 Miles	J	B	37,530	2	1984

Source: CoStar



LOCAL AREA ANALYSIS

CONTINUED

EXHIBIT B - PUBLIC

CHS210220

Retail Development

The following chart shows a summary of retail data by type in the immediate area from CoStar.

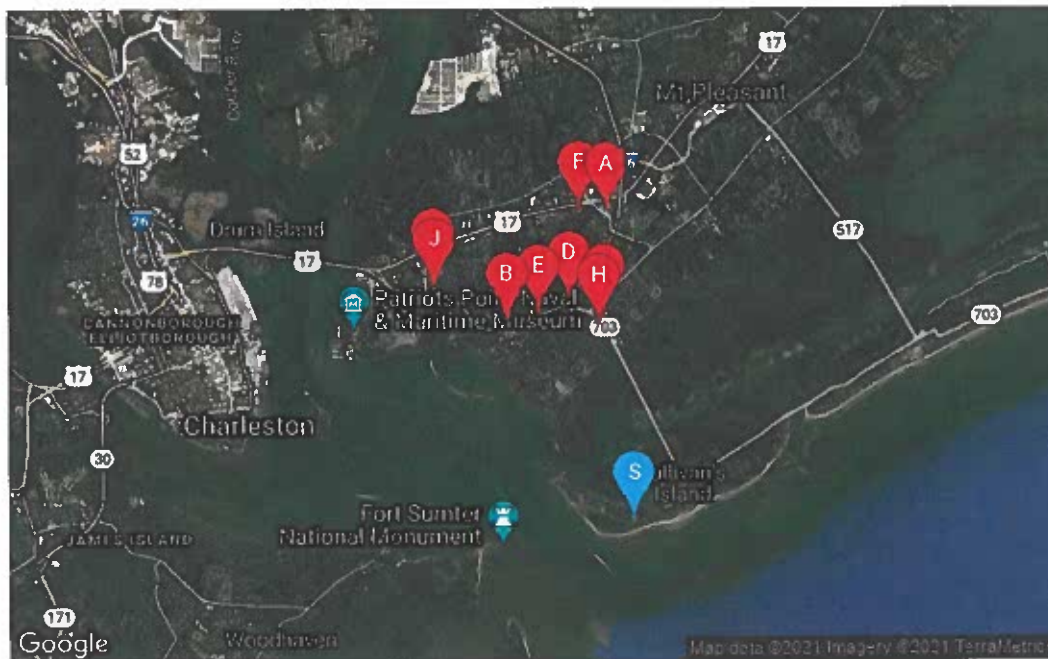
RETAIL SUMMARY					
TYPE	PROPERTIES	NRA (SF)	AVG YR BLT	OCCUPANCY	AVG RENT
General Retail	173	773,892	1987	98.0	\$28.77
TOTAL	173	773,892	1987	98.0	\$28.77

Source: CoStar

The largest three retail properties are at 1110-1132 Bowman Road, 604-644 Coleman Boulevard and 1440 Ben Sawyer Boulevard with an NRA of 124,895 SF, 120,000 SF and 89,004 SF that were built in 1975, 1963 and 2004, respectively. The closest large retail property in proximity to the subject is at 1435 Ben Sawyer Boulevard with an NRA of 38,368 SF that was built in 0. The majority of properties were constructed before 2000. The following chart and map show the subject property and its location relative to the 10 largest retail properties in the immediate area from CoStar.

LARGEST SHOPPING CENTERS						
NAME	DISTANCE	MAP PIN	TYPE	NRA (SF)	% LEASED	YEAR BUILT
Bow man Place	3.8 Miles	A	Neighborhood Center	124,895	100.0	1975
Moultrie Plaza	2.9 Miles	B	Neighborhood Center	120,000	70.2	1963
Oyster Park	2.5 Miles	C	Neighborhood Center	89,004	68.4	2004
Sea Island Shopping Center	2.8 Miles	D	Neighborhood Center	74,387	98.1	1975
Brookgreen Town Center	2.8 Miles	E	Neighborhood Center	57,384	100.0	1993
Centre Oaks	3.8 Miles	F	Neighborhood Center	45,145	100.0	1979
Oyster Park	2.5 Miles	G	Neighborhood Center	39,125	100.0	2004
Publix	2.4 Miles	H	General Retail	38,368	100.0	-
Retail Building	3.8 Miles	I	General Retail	33,300	100.0	-
The Shops Of Mount Pleasant	3.7 Miles	J	Neighborhood Center	29,155	86.3	1987

Source: CoStar



LOCAL AREA ANALYSIS

CONTINUED

EXHIBIT B - PUBLIC

CHS210220

Office Development

The following chart shows a summary of office data by class in the immediate area from CoStar.

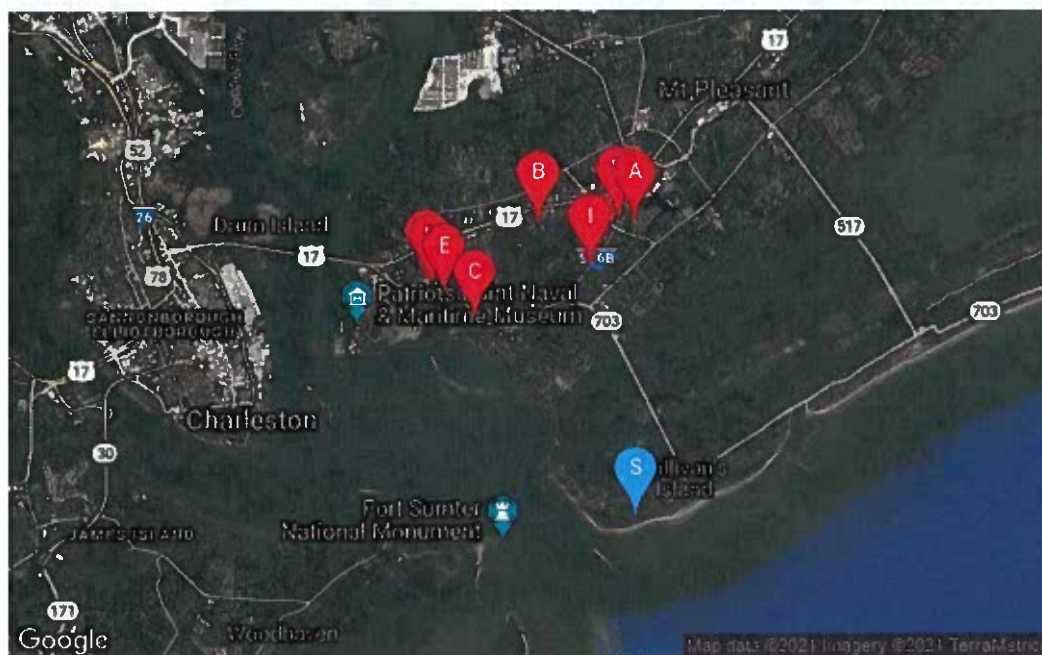
OFFICE SUMMARY					
CLASS	PROPERTIES	NRA (SF)	AVG YR BLT	OCCUPANCY	AVG RENT
A	2	81,743	2009	81.5	\$26.50
B	128	870,299	1990	98.0	\$26.07
C	50	157,419	1973	100.0	-
TOTAL	180	1,109,461	1986	98.4	\$26.07

Source: CoStar

The largest three office properties are at 700 Watermark Boulevard, 1007 Johnnie Dodds Boulevard and 111 Coleman Boulevard with an NRA of 44,000 SF, 42,316 SF and 41,743 SF that were built in 2008, 1990 and 2017, respectively. The closest large office property in proximity to the subject is at 111 Coleman Boulevard. The majority of properties were constructed after 2000. The following chart and map show the subject property and its location relative to the 10 largest office properties in the immediate area from CoStar.

LARGEST OFFICE BUILDINGS						
NAME	DISTANCE	MAP PIN	CLASS	NRA (SF)	% LEASED	YEAR BUILT
Office Building	3.6 Miles	A	B	44,000	100.0	2008
Office Building	3.8 Miles	B	B	42,316	70.2	1990
Office Building	3.1 Miles	C	A	41,743	80.0	2017
Charleston Executive Offices of	3.7 Miles	D	A	40,000	82.9	2001
Office Building	3.6 Miles	E	B	31,399	100.0	2017
Office Building	3.6 Miles	F	B	28,779	100.0	2017
Bridgewater Center	3.9 Miles	G	B	26,200	83.7	1988
Office Building	3.8 Miles	H	B	25,000	100.0	1980
A	3.1 Miles	I	B	20,000	100.0	2007
B	3.1 Miles	J	B	20,000	100.0	2007

Source: CoStar



Industrial Development

The following chart shows a summary of industrial data by type in the immediate area from CoStar.

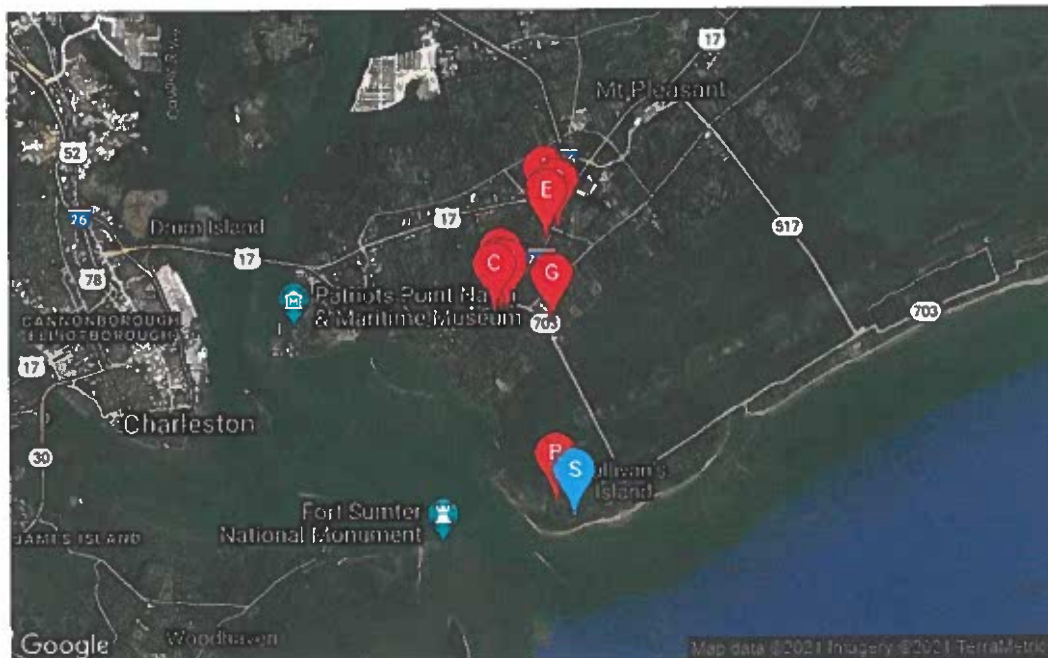
INDUSTRIAL SUMMARY					
TYPE	PROPERTIES	NRA (SF)	AVG YR BLT	OCCUPANCY	AVG RENT
Industrial	28	87,993	1980	96.4	-
Flex	19	109,517	1982	100.0	-
TOTAL	47	197,510	1981	97.9	\$0.00

Source: CoStar

The largest three industrial properties are at 1135 Bowman Road, 1602 Thompson Avenue and 1304 Erckmann Drive with an NRA of 31,784 SF, 10,500 SF and 7,848 SF that were built in 0, 0 and 1992, respectively. The closest large industrial property in proximity to the subject is at 1602 Thompson Avenue. All of the properties were constructed before 2000. The following chart and map show the subject property and its location relative to the 10 largest industrial properties in the immediate area from CoStar.

LARGEST INDUSTRIAL PROPERTIES						
NAME	DISTANCE	MAP PIN	TYPE	NRA (SF)	% LEASED	YEAR BUILT
Bow man Business Park	3.7 Miles	A	Flex	31,784	100.0	-
Industrial Building	0.3 Miles	B	Industrial	10,500	100.0	-
Industrial Building	2.7 Miles	C	Flex	7,848	100.0	1992
Industrial Building	3.6 Miles	D	Flex	7,675	100.0	1980
Industrial Building	3.4 Miles	E	Flex	7,510	100.0	-
Industrial Building	2.8 Miles	F	Flex	7,500	100.0	1986
Industrial Building	2.4 Miles	G	Industrial	7,200	0.0	1982
Industrial Building	2.7 Miles	H	Flex	6,446	100.0	-
Bow man Business Park	3.7 Miles	I	Flex	6,402	100.0	1978
Industrial Building	2.7 Miles	J	Industrial	5,953	100.0	-

Source: CoStar



The following map shows the subject property and the five largest retail, office, and industrial properties in the immediate area from CoStar.

LOCAL AREA ANALYSIS

CONTINUED

EXHIBIT B - PUBLIC

CHS210220

SUBJECT PROPERTY ANALYSIS

The following discussion draws context and analysis on how the subject property is influenced by the local and immediate areas.

Subject Property Analysis

The uses adjacent to the property are noted below:

- › **North** - Single Family Residential
- › **South** - Single Family Residential
- › **East** - Atlantic Ocean
- › **West** - Single Family Residential

SUMMARY

The primary development in the immediate neighborhood is a mostly ocean oriented residential. Sullivans Island is one of the premier bedroom communities in the Charleston MSA and maintains a very high demographic profile. It is closely associated with Mt Pleasant and is a part of the East Cooper area of Charleston. This area has enjoyed a strong real estate growth within the last 30 years. This trend is expected to continue.

SITE DESCRIPTION

EXHIBIT B - PUBLIC

CHS210220

General Description The subject site consists of 5 parcels. As noted below, the subject site has 151,153 SF (3.47 AC) of land area. The area is estimated based on the assessor's parcel map, and may change if a professional survey determines more precise measurements. Going forward, our valuation analyses will utilize the usable site area. The following discussion summarizes the subject site size and characteristics.

Assessor Parcels See Multiple Parcel Chart For Breakdown

Number Of Parcels 5

Land Area	Acres	Square Feet
Primary Parcel	3.47	151,153
Unusable Land	0.00	0
Excess Land	0.00	0
Surplus Land	0.00	0
Total Land Area	3.47	151,153

Topography Level at street grade

Drainage Assumed Adequate

Utilities All available to the site

Street Improvements	Street	Direction	No. Lanes	Street Type	Curbs	Sidewalks	Streetslights	Center Lane	Gutters
Atlantic Avenue	Secondary Street	two-way	two-lane	connector street					
Frontage	The subject has frontage on Atlantic Avenue and the Atlantic Ocean.								

BREAKDOWN OF SAND DUNES PARCELS

PARCEL	Lot	USABLE		TOTAL		FRONTING STREET	SHAPE	BEACH ACCESS	BEACH FRONTAGE	FLOOD PLAIN
		SF	AC	SF	AC					
523-12-00-019	29	11,761	0.27	11,761	0.27	Atlantic Avenue	Irregular	Adjacent to Access Path	0.00'	Zone AE
523-12-00-020	28	87,556	2.01	87,556	2.01	Atlantic Avenue	Irregular	Yes	249.72'	Zone AE
523-12-00-021	27	10,454	0.24	10,454	0.24	Atlantic Avenue	Irregular	Adjacent to Access Path	0.00'	Zone AE
523-12-00-022	14	26,572	0.61	26,572	0.61	Atlantic Avenue	Irregular	Yes	134.77'	Zone AE
523-12-00-023	26	14,810	0.34	14,810	0.34	Atlantic Avenue	Irregular	Yes	10.03'	Zone AE
TOTAL		151,153	3.47	151,153	3.47					

Accessibility **Good** - Access to the property is by Atlantic Avenue, which is a secondary street that serves beach front properties and second row properties.

Exposure **Good/Excellent** - Typical for beachfront Sullivans Island.

Seismic The subject is in Very High Risk. The seismic zone factor (or Z factor) corresponds numerically to the effective horizontal peak bedrock acceleration (or equivalent velocity) that is estimated as a component of the design base shear calculation. In each seismic zone an earthquake-related event would create an effective peak bedrock acceleration of 0.1 times the force of gravity for Zone 1, 0.15 times the force of gravity for Zone 2A, 0.2 times the force of gravity for Zone 2B, 0.3 times the force of gravity for Zone 3 and 0.4 times the force of gravity for Zone 4. These

SITE DESCRIPTION

CONTINUED

EXHIBIT B - PUBLIC

CHS210220

values correspond to ground motion values with a 10% probability of being exceeded in 50 years.

Flood Zone

Zone AE. This is referenced by Community Number 45019C, Panel Number 0538K, dated January 29, 2021. Zone AE is a High Risk Special Flood Hazard Area (SFHA). Special Flood Hazard Areas represent the area subject to inundation by 1-percent-annual chance flood. Structures located within the SFHA have a 26-percent chance of flooding during the life of a standard 30-year mortgage. Federal floodplain management regulations and mandatory flood insurance purchase requirements apply in these zones. Areas subject to inundation by the 1-percent-annual-chance flood event determined by detailed methods. BFEs are shown within these zones. (Zone AE is used on new and revised maps in place of Zones A1–A30.) Zone AE. This is referenced by Community Number 45019C, Panel Number 0538K, dated January 29, 2021. Zone AE is a High Risk Special Flood Hazard Area (SFHA). Special Flood Hazard Areas represent the area subject to inundation by 1-percent-annual chance flood. Structures located within the SFHA have a 26-percent chance of flooding during the life of a standard 30-year mortgage. Federal floodplain management regulations and mandatory flood insurance purchase requirements apply in these zones. Areas subject to inundation by the 1-percent-annual-chance flood event determined by detailed methods. BFEs are shown within these zones. (Zone AE is used on new and revised maps in place of Zones A1–A30.)

Easements

A preliminary title report was not available for review. During the on-site inspection, no adverse easements or encumbrances were noted. This appraisal assumes that there is no negative value impact on the subject improvements. If questions arise regarding easements, encroachments, or other encumbrances, further research is advised.

Soils

A detailed soils analysis was not available for review. Based on the development of the subject, it appears the soils are stable and suitable for the existing improvements.

Hazardous Waste

We have not conducted an independent investigation to determine the presence or absence of toxins on the subject property. If questions arise, the reader is strongly cautioned to seek qualified professional assistance in this matter. Please see the Assumptions and Limiting Conditions for a full disclaimer.

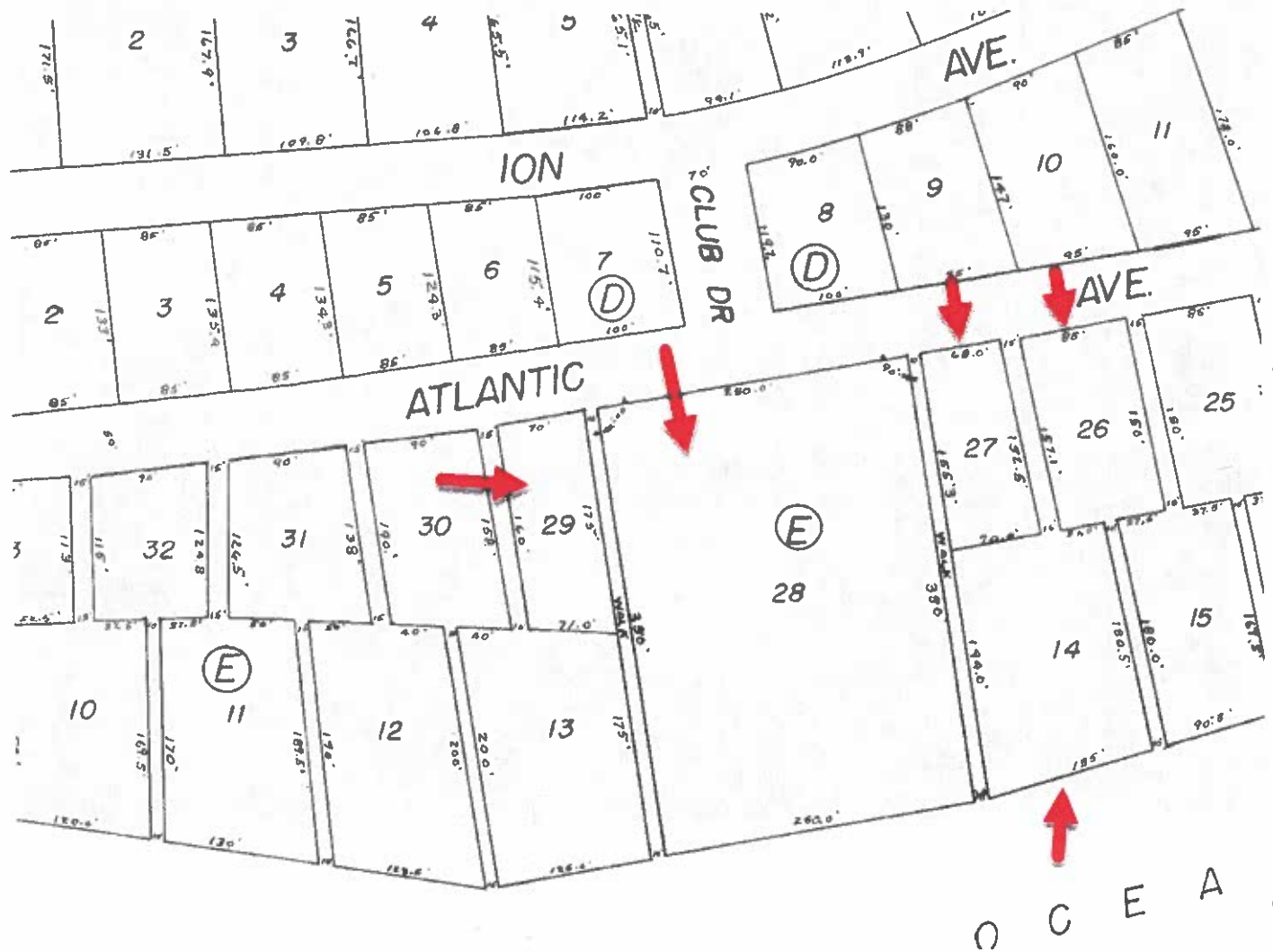
Site Rating

Overall, the subject site is fairly unique to the marketplace given its size and beach frontage. Sullivans Island is a highly desired bedroom community given location, beach exposure, and access to employment, education and commercial uses. The subject is well positioned to benefit from the positive neighborhood influences.

Improvement Description

The subject is currently used as a beach club and event venue. The main structure is a 11,500 SF clubhouse that includes a large event area, plus support facilities. Other improvements include a swimming pool is adjacent to the building, a shelter, parking and recreational areas.

PLAT MAP



TAX MAP



ZONING MAP



FLOOD MAP

National Flood Hazard Layer FIRMette



Legend

SEE PG. 20 FOR DETAILED LEGEND AND INDEX MAP FOR THIS PANEL/SET

SPECIAL FLOOD HAZARD AREAS	Without Base Flood Elevation (BFE)
	With BFE or Depth Zone AE, AO, AH, VE, VE1
	Regulatory Floodway
OTHER AREAS OF FLOOD HAZARD	0.2% Annual Chance Flood Hazard, Areas of 1% annual chance flood with average depth less than one foot or with drainage areas of less than one square mile Zone X
	Future Conditions 1% Annual Chance Flood Hazard Zone X
	Area with Reduced Flood Risk due to Levees. See Notes, Zone A
	Area with Flood Risk due to Levees Zone D
OTHER AREAS	Area of Minimal Flood Hazard Zone X
	Effective LOMs
	Area of Undetermined Flood Hazard Zone D
GENERAL STRUCTURES	Channel, Culvert, or Storm Sewer
	Levee, Dike, or Floodwall
OTHER FEATURES	Cross Sections with 1% Annual Chance Water Surface Elevation
	Coastal Transect
	Base Flood Elevation Line (BFE)
	Limit of Study
OTHER FEATURES	Jurisdiction Boundary
	Coastal Transect Baseline
MAP PANELS	Profile Baseline
	Hydrographic Features
MAP PANELS	Digital Data Available
	No Digital Data Available
	Unmapped

The pin displayed on the map is an approximate point selected by the user and does not represent an authoritative property location.

This map complies with FEMA's standards for the use of digital flood maps if it is not void as described below. The basemap shown complies with FEMA's basemap accuracy standards.

The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on 8/13/2021 at 1:53 PM and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

This map image is void if the one or more of the following map elements do not appear: basemap imagery, flood zone labels, legend, scale bar, map creation date, community identifiers, FIRMet panel number, and FIRMet effective date. Map images for unmapped and undetermined areas cannot be used for regulatory purposes.



INTRODUCTION

Under the current Constitution and Statutes of the State of South Carolina, the assessment function is in the hands of the County Assessor, except for manufacturing concerns and utilities, which are valued and assessed by the South Carolina Department of Revenue. For utility owned property, SCDOR issues one tax bill for all properties within the county. Therefore, individual property taxes are not reported by the County Treasurer's office.

Valuation is based on use and/or market value with different ratios for different classes of property. Privately owned agricultural property is assessed at a rate of 4% of use value, upon approved application, and at a rate of 6% for corporate ownership. Manufacturing concerns are assessed at a rate of 10.5%.

The subject property is located within Charleston County. As shown, individual appraised values or taxes are not reported by the county.

ASSESSMENT & TAXES						
Tax Year	2020				Tax Rate	259.00
Tax Rate Area	23 - Town of Sullivan's Island				Tax Credit	0.000920
APN	LAND	IMPV	TOTAL	EXEMPTIONS	TAXABLE	BASE TAX
523-12-00-019	\$0	\$0	\$0	\$0	\$0	Utility
523-12-00-020	\$0	\$0	\$0	\$0	\$0	Utility
523-12-00-021	\$0	\$0	\$0	\$0	\$0	Utility
523-12-00-022	\$0	\$0	\$0	\$0	\$0	Utility
523-12-00-023	\$0	\$0	\$0	\$0	\$0	Utility
Totals	\$0	\$0	\$0	\$0	\$0	Utility
Total/SF	-	-	-	-	-	-

Source: Charleston County Assessment & Taxation

INTRODUCTION

Zoning requirements typically establish permitted and prohibited uses, building height, lot coverage, setbacks, parking and other factors that control the size and location of improvements on a site. The zoning characteristics for the subject property are summarized below:

ZONING SUMMARY	
Municipality Governing Zoning	Town of Sullivans Island Planning & Zoning Department
Current Zoning	One Family Residential District (RS)
Permitted Uses	Single family residences, historic structures and religious facilities. Religious facilities must meet the following criteria: a) Limited to one building per lot, b) Housed in a permanent building, c) Located on a lot not less than one-half (1/2) acre in area, d) Provides off-street parking location for picking up and dropping off adults and children, e) Provides adequate off-street parking, in accordance with article XVI, and f) Meets the setback and lot coverage standards of the RS District
Prohibited Uses	Residences with less than 1,000 SF enclosed living area, erosion control structures, guest bedroom or dwelling unit not meeting the definition of "family", mobile homes or manufactured housing, non-commercial horticulture or agriculture, and otherwise unpermitted vacation rentals.
Current Use	Club and event center
Is Current Use Legally Permitted?	Yes
Zoning Change	Not Likely

CONCLUSIONS

Based on the interpretation of the zoning ordinance, the subject property is an outright permitted use that could be rebuilt if unintentionally destroyed. The Single Family Residential District essentially allows one detached single-family residence per lot with various setback requirements. There are additional criteria for historical structures as well as religious facilities.

Detailed zoning studies are typically performed by a zoning or land use expert, including attorneys, land use planners, or architects. The depth of our analysis correlates directly with the scope of this assignment, and it considers all pertinent issues that have been discovered through our due diligence. Please note that this appraisal is not intended to be a detailed determination of compliance, as that determination is beyond the scope of this real estate appraisal assignment.

INTRODUCTION

As concluded ahead, the highest and best use of the subject site as-vacant is single family residential development. Therefore, this section provides a brief study of residential supply/demand conditions for the Charleston MSA and the East Cooper submarket. These findings are used to support our conclusions for the competitive position, and exposure period of the subject site.

GENERAL MARKET

The Charleston housing market has produced solid year over year increases in both number of transactions and also in the value of the homes sold for the past five years. Transaction volume jumped 2% in 2019, which was by a 17% increase in 2020. The 2021 annualized levels project an 11% increase provided the current trend line is maintained. Perhaps even more impressive is the increase in total sales volume and the correlating average home price. The average home price in the Charleston MSA for 2021 is \$518,310, or 16% above the 2020 average.

The table below summarizes all residential sales the entire Charleston MSA in both number of residential sales and the average price point. This is then compared with the residential sales activity in the East Cooper Submarket, which includes Mt. Pleasant, Sullivans Island and the Isle of Palms.

SINGLE-FAMILY HOUSING SALES VOLUME										
Average Home Prices										
Year	East Cooper				Charleston MSA					
	Sales	Sold Volume	Avg Price		Sales	Sold Volume	Avg Price			
2015	2,174	\$1,279,895,260	\$588,728		13,308	\$4,236,533,139	\$318,345			
2016	2,295	6%	\$1,445,798,175	13%	\$629,977	7%	14,329	8%	\$4,857,504,924	15%
2017	2,245	-2%	\$1,484,221,775	3%	\$661,123	5%	14,638	2%	\$5,319,939,848	10%
2018	2,080	-7%	\$1,489,267,964	0%	\$715,994	8%	14,562	-1%	\$5,616,234,919	6%
2019	2,236	8%	\$1,621,033,759	9%	\$724,970	1%	14,842	2%	\$8,547,203,072	52%
2020	2,644	18%	\$2,095,261,344	29%	\$792,459	9%	17,412	17%	\$7,756,167,704	-9%
2021 (1)	1,360		\$1,591,040,224		\$1,169,883	48%	11,280		\$5,846,542,268	
2021 (2)	2,331	-12%	\$2,727,497,527	30%			19,337	11%	\$10,022,643,888	29%
MIN	2,080				\$588,728		13,308			\$318,345
MAX	2,644				\$792,459		17,412			\$575,879
AVG	2,279				\$685,542		14,849			\$404,631
MED	2,241				\$688,559		14,600			\$374,555

(1) Thru July 2021

(2) Annualized

Charleston MLS

The above chart provides a good perspective of the East Cooper influence on the Charleston MSA as a whole. YTD for 2021, the East Cooper area represented 12% of total home sales in the Charleston MSA, but accounted for 27.2% of the total sales volume. While the average home price in the Charleston MSA has increased 16% in 2021, the average home price in the East Cooper submarket has increased 48% to \$1,169,883.

Drilling down even deeper, the following table shows the housing sales activity for Sullivans Island and the Isle of Palms (Barrier Islands). As shown, as with the East Cooper submarket pulling up the Charleston MSA, Sullivans Island/IOP are pulling up the East Cooper submarket. Sullivans Island/IOP is on track in 2021 to have 42% increase in total sales volume and a 119% increase in average home price.

MARKET ANALYSIS

CONTINUED

EXHIBIT B - PUBLIC

CHS210220

SINGLE-FAMILY HOUSING SALES VOLUME

Average Home Prices

Year	Sullivans Island / Isle of Palms						Charleston MSA					
	Sales		Sold Volume		Avg Price		Sales		Sold Volume		Avg Price	
2015	221		\$253,179,823		\$1,145,610		13,308		\$4,236,533,139		\$318,345	
2016	226	2%	\$300,053,626	19%	\$1,327,671	16%	14,329	8%	\$4,857,504,924	15%	\$338,998	6%
2017	256	13%	\$342,232,999	14%	\$1,336,848	1%	14,638	2%	\$5,319,939,848	10%	\$363,434	7%
2018	248	-3%	\$362,412,081	6%	\$1,461,339	9%	14,562	-1%	\$5,616,234,919	6%	\$385,677	6%
2019	236	-5%	\$378,250,087	4%	\$1,602,755	10%	14,842	2%	\$8,547,203,072	52%	\$575,879	49%
2020	343	45%	\$536,748,605	42%	\$1,564,865	-2%	17,412	17%	\$7,756,167,704	-9%	\$445,450	-23%
2021 (1)	136		\$466,271,850		\$3,428,469	119%	11,280		\$5,846,542,268		\$518,310	16%
2021 (2)	233	-32%	\$799,323,171	49%			19,337	11%	\$10,022,643,888	29%		
MIN	221				\$1,145,610		13,308				\$318,345	
MAX	343				\$1,602,755		17,412				\$575,879	
AVG	255				\$1,406,515		14,849				\$404,631	
MED	242				\$1,399,093		14,600				\$374,555	

(1) Thru July 2021

(2) Annualized

Charleston MLS

Sullivans Island is on track in 2021 to have 33% increase in total sales volume and a 55% increase in average home price. Presently, the average home price on Sullivans is just under \$4,000,000. It also deserves noting that this pool of sales is mixture of beach front, 2nd row, 3rd row and interior homes.

SINGLE-FAMILY HOUSING SALES VOLUME

Average Home Prices

Year	Sullivans Island Only						Charleston MSA					
	Sales		Sold Volume		Avg Price		Sales		Sold Volume		Avg Price	
2015	51		\$80,693,135		\$1,582,218		13,308		\$4,236,533,139		\$318,345	
2016	58	14%	\$92,477,967	15%	\$1,594,448	1%	14,329	8%	\$4,857,504,924	15%	\$338,998	6%
2017	56	-3%	\$114,851,250	24%	\$2,050,915	29%	14,638	2%	\$5,319,939,848	10%	\$363,434	7%
2018	62	11%	\$134,154,600	17%	\$2,163,784	6%	14,562	-1%	\$5,616,234,919	6%	\$385,677	6%
2019	52	-16%	\$119,305,875	-11%	\$2,294,344	6%	14,842	2%	\$8,547,203,072	52%	\$575,879	49%
2020	52	0%	\$133,914,563	12%	\$2,575,280	12%	17,412	17%	\$7,756,167,704	-9%	\$445,450	-23%
2021 (1)	26		\$103,622,776		\$3,985,491	55%	11,280		\$5,846,542,268		\$518,310	16%
2021 (2)	45	-14%	\$177,639,045	33%			19,337	11%	\$10,022,643,888	29%		
MIN	51				\$1,582,218		13,308				\$318,345	
MAX	62				\$2,575,280		17,412				\$575,879	
AVG	55				\$2,043,498		14,849				\$404,631	
MED	54				\$2,107,350		14,600				\$374,555	

(1) Thru July 2021

(2) Annualized

Charleston MLS

MARKET ANALYSIS

CONTINUED

EXHIBIT B - PUBLIC

CHS210220

RESIDENTIAL LOT SALES

A similar pattern is shown when single family lots are examined. For both Charleston and East Cooper, total lot sales volume has bounced from year to years. This is logical given the ebb and flow of track builders and product delivery. The East Cooper area had a 47% increase in residential lot sales in 2020 while also posting a 11% increase in average lot price to \$467,924.

SINGLE-FAMILY LOT SALES VOLUME

Average Lot Prices

Year	East Cooper				Charleston MSA			
	Sales		Avg Price		Sales		Avg Price	
2015	335		\$349,217		1,164		\$177,213	
2016	301	-10%	\$363,764	4%	1,165	0%	\$170,810	-4%
2017	305	1%	\$402,442	11%	1,309	12%	\$182,583	7%
2018	247	-19%	\$397,270	-1%	1,149	-12%	\$184,494	1%
2019	229	-7%	\$422,880	6%	1,082	-6%	\$172,316	-7%
2020	337	47%	\$467,924	11%	1,370	27%	\$211,896	23%
2021 (1)	188		\$317,859	-32%	1,313		\$236,059	11%
2021 (2)	322	-4%			2,251	64%		
MIN	229		\$349,217		1,082		\$170,810	
MAX	337		\$467,924		1,370		\$211,896	
AVG	292		\$400,583		1,207		\$183,219	
MED	303		\$399,856		1,165		\$179,898	

(1) Thru July 2021

(2) Annualized

Charleston MLS

SINGLE-FAMILY LOT SALES VOLUME

Average Lot Prices

Year	Sullivans Island ; Isle of Palms				Charleston MSA			
	Sales		Avg Price		Sales		Avg Price	
2015	36		\$793,062		1,164		\$177,213	
2016	30	-17%	\$823,483	4%	1,165	0%	\$170,810	-4%
2017	31	3%	\$884,932	7%	1,309	12%	\$182,583	7%
2018	26	-16%	\$1,096,246	24%	1,149	-12%	\$184,494	1%
2019	21	-19%	\$549,859	-50%	1,082	-6%	\$172,316	-7%
2020	22	5%	\$1,185,284	116%	1,370	27%	\$211,896	23%
2021 (1)	23		\$899,717	-24%	1,313		\$236,059	11%
2021 (2)	39	79%			2,251	64%		
MIN	21		\$549,859		1,082		\$170,810	
MAX	36		\$1,185,284		1,370		\$211,896	
AVG	28		\$888,811		1,207		\$183,219	
MED	28		\$854,208		1,165		\$179,898	

(1) Thru July 2021

(2) Annualized

Charleston MLS

MARKET ANALYSIS

CONTINUED

EXHIBIT B - PUBLIC

CHS210220

SINGLE-FAMILY LOT SALES VOLUME

Average Lot Prices

Year	Sullivans Island Only				Charleston MSA			
	Sales		Avg Price		Sales		Avg Price	
2015	11		\$980,682		1,164		\$177,213	
2016	6	-45%	\$850,833	-13%	1,165	0%	\$170,810	-4%
2017	5	-17%	\$2,150,156	153%	1,309	12%	\$182,583	7%
2018	6	20%	\$1,573,333	-27%	1,149	-12%	\$184,494	1%
2019	6	0%	\$1,564,167	-1%	1,082	-6%	\$172,316	-7%
2020	6	0%	\$1,676,667	7%	1,370	27%	\$211,896	23%
2021 (1)	3		\$1,079,667	-36%	1,313		\$236,059	11%
2021 (2)	5	-14%			2,251	64%		
MIN	5		\$850,833		1,082		\$170,810	
MAX	11		\$2,150,156		1,370		\$211,896	
AVG	7		\$1,465,973		1,207		\$183,219	
MED	6		\$1,568,750		1,165		\$179,898	
(1) Thru July 2021								
(2) Annualized								
Charleston MLS								

Lot sale transactions on Sullivans have been fairly consistent over the past five years with the actual number of transactions a reflection of supply rather than demand. The price points are what is impressive with the average lot price in 2020 being \$1,676,667, or almost 800% over the Charleston MSA average.

EXPOSURE TIME & MARKETING PERIOD

Exposure time is defined as "The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective opinion based on an analysis of past events assuming a competitive and open market" (The Dictionary of Real Estate Appraisal, Appraisal Institute, 2015). Reasonable exposure time is impacted by the aggressiveness and effectiveness of a property's exposure to market participants, availability and cost of financing, and demand for similar investments. Exposure time is best established based the recent history of marketing periods for comparable sales, discussions with market participants and information from published surveys.

Exposure Time Conclusion

six months or less.

Marketing Period Conclusion

six months or less.

INTRODUCTION

The highest and best use of an improved property is defined as that reasonable and most probable use that will support its highest present value. The highest and best use, or most probable use, must be legally permissible, physically possible, financially feasible, and maximally productive. This section develops the highest and best use of the subject property As-Vacant and As-Improved.

AS-VACANT ANALYSIS

Legal Factors

The legal factors that possibly influence the highest and best use of the subject site are discussed in this section. Private restrictions, zoning, building codes, historic district controls, and environmental regulations are considered, if applicable to the subject site. Permitted uses of the subject's One Family Residential District (RS) zoning were listed in the Zoning Analysis section. Overall, legal factors support a broad range of residential, recreational, and light commercial uses for the subject site.

Physical & Locational Factors

Regarding physical characteristics, subject consists of five adjacent tax parcels. Four of the five are traditional single family lots with one being front beach and the other three being rear front beach. That is, they are located behind the lots that front the beach, but have access to the beach. All are considered to be first row. The front beach lots each have a 15' extension to Atlantic Avenue for street access, while the rear front parcels contain a 10' extension to the beach, or are adjacent to a 10' public access.

The large parcel has the improvements contains 2.01 acres, or approximately 87,556 SF. Based on the same planning design as the properties along Atlantic Avenue and the beach, we have estimated that this portion of the subject could accommodate 2 front beach lots and 3 rear front beach lots. A breakdown of the lots is as follows:

LOT BREAKDOWN - PARCEL 28				
Parcel Idn	Type	Dimensions	Description	
28A	Beach Front	190' x 120'	22,800 SF	Standard front beach lot with 15' access to Atlantic Ave
	Access	160' x 15'	2,400 SF	
	Total		25,200 SF	
28B	Beach Front	190' x 120'	22,800 SF	Standard front beach lot with 15' access to Atlantic Ave
	Access	160' x 15'	2,400 SF	
	Total		25,200 SF	
28C	Atlantic Ave	160' x 73'	11,736 SF	Standard lot fronting Atlantic Ave; beach access via adjacent 10 public access
	Total		11,736 SF	
28B	Atlantic Ave	160' x 74'	11,760 SF	Standard lot fronting Atlantic Ave; beach access via a 10' access
	Beach Access	190' x 10'	1,900 SF	
	Total		13,660 SF	
28B	Atlantic Ave	160' x 74'	11,760 SF	Standard front froting Atlantic Ave; beach access via adjacent 10 public access
	Total		11,760 SF	
Total			87,556 SF	

As shown in the chart below, the proposed lots for Parcel 28 are in balance with the subject's other lots.

HIGHEST & BEST USE ANALYSIS

CONTINUED

EXHIBIT B - PUBLIC

CHS210220

LOT SUMMARY

Parcel	Size, SF
Front Beach	
14	26,572 SF
28A	25,200 SF
28B	25,200 SF
Rear Front Beach	
29	11,761 SF
28C	11,736 SF
28D	13,660 SF
28E	11,760 SF
27	10,454 SF
26	14,810 SF

The subject is very unique given its high exposure to the beach and the overall location on the island. It possesses excellent aesthetic qualities for residential development. Of the outright permitted uses, physical and locational features best support single family residential development for the site's highest and best use as-vacant.

Feasibility Factors

The property is physically adaptable for residential development. It is readily accessible to employment centers, schools, commercial areas, and recreational facilities. The feasible uses of a site are determined not only by physical and legal constraints, but also by current market conditions.

As-Vacant Conclusion

Based on the previous discussion, the subject's highest and best use as-vacant is concluded to be single family residential development.

AS-IMPROVED ANALYSIS

The subject is currently improved with a series of improvements with the primary building being a clubhouse built in the early 1990s after Hurricane Hugo. They are used as a beach club and event venue. The improvements are specific to that use and have little utility for alternative uses. They are considered an interim use and do not represent the subject at its highest and best use.

As-Improved Conclusion

Based on the previous discussion, the highest and best use of the subject property as-improved is concluded to be remove existing improvements and redevelop with 9 single family residential lots.

INTRODUCTION

The subject is somewhat unique in that it represents a large (by Sullivans Island standards) beach front tract of land that has 9 residential lots with a direct beach influence. To estimate the land value, we have analyzed residential front beach lot sales and non-front beach lot sales to arrive at an average price per square foot for each category. Based on this estimate of the gross retail selling price, we can then estimate the value as a whole to a single purchaser. This is the value of the entire property to an investor/developer, who would have to subdivide Parcel 28 and prep the site, pay real estate commissions, pay other carrying costs, and realize an allowance for the time cost of money and other carrying costs.

SALES COMPARISON APPROACH

The Sales Comparison Approach is based on the principle of substitution, which asserts that no one would pay more for a property than the value of similar properties in the market. This approach analyzes comparable sales by applying transactional and property adjustments in order to bracket the subject property on an appropriate unit value comparison. The sales comparison approach is applicable when sufficient data on recent market transactions is available. Alternatively, this approach may offer limited reliability because many properties have unique characteristics that cannot be accounted for in the adjustment process.

LAND VALUATION

As previously discussed within the Valuation Methods section, the subject is valued as one marketable economic site in this appraisal. Due to the varying characteristics of the subject's land components and comparable datasets, the following land valuation is segmented into two analyses: 1) values the subject's front beach lots and 2) values the rear front beach lots. Land value is influenced by a number of factors; most prominent of which is development and use potential. These factors, as well as others, are considered in the following analysis.

UNIT OF COMPARISON

The most relevant unit of comparison is the price per square foot. This indicator best reflects the analysis used by buyers and sellers in this market for land with similar utility and zoning in this marketplace.

COMPARABLE SELECTION

A thorough search was made for similar land sales in terms of proximity to the subject, size, location, development potential, and date of sale. In selecting comparables, emphasis was placed on confirming recent sales of commercial sites that are similar to the subject property in terms of location and physical characteristics. Overall, the sales selected represent the best comparables available for this analysis.

ADJUSTMENT PROCESS

Quantitative adjustments are made to the comparable sales. The following adjustments or general market trends were considered for the basis of valuation.

Transactional Adjustments

Dollar adjustments to the comparable sales were considered and made when warranted for transactional adjustments in the sequence shown below:

Property Rights Transferred	The valuation of the subject site was completed on a fee simple basis. If warranted, leased fee, leasehold and/or partial interest land sales were adjusted accordingly.
Financing Terms	The subject site was valued on a cash equivalent basis. Adjustments were made to the comparables involving financing terms atypical of the marketplace.

LAND VALUATION

Conditions of Sale	This adjustment accounts for extraordinary motivation on the part of the buyer or seller often associated with distressed sales and/or assemblages.
Expenditures After Purchase	Adjustments were applied if site conditions warranted expenditures on the part of the buyer to create a buildable site. Examples include costs for razing pre-existing structures, general site clearing and/or mitigation of environmental issues.
Market Conditions	Market conditions adjustments were based on a review of historical sale data, market participant interviews and review of current versus historical pricing. Based on our research, the following table summarizes the market conditions adjustment applied in this analysis.

MARKET CONDITIONS ADJUSTMENT	
Per Year As Of	August 2021

The analysis applies an upward market conditions adjustment of [REDACTED] annually reflecting the conditions between the oldest comparable sale date up through the effective date of value. This is based on a resale of the property located at 1601 Atlantic Ave.

Property Adjustments
 Quantitative percentage adjustments are also made for location and physical characteristics such as size, shape, access, exposure, topography, zoning and overall utility. Where possible the adjustments applied are based on paired data or other statistical analysis. For example, location adjustments are based primarily on review of land values in the market areas for the comparables relative to the subject. It should be stressed that the adjustments are subjective in nature and are meant to illustrate our logic in deriving a value opinion for the subject site.

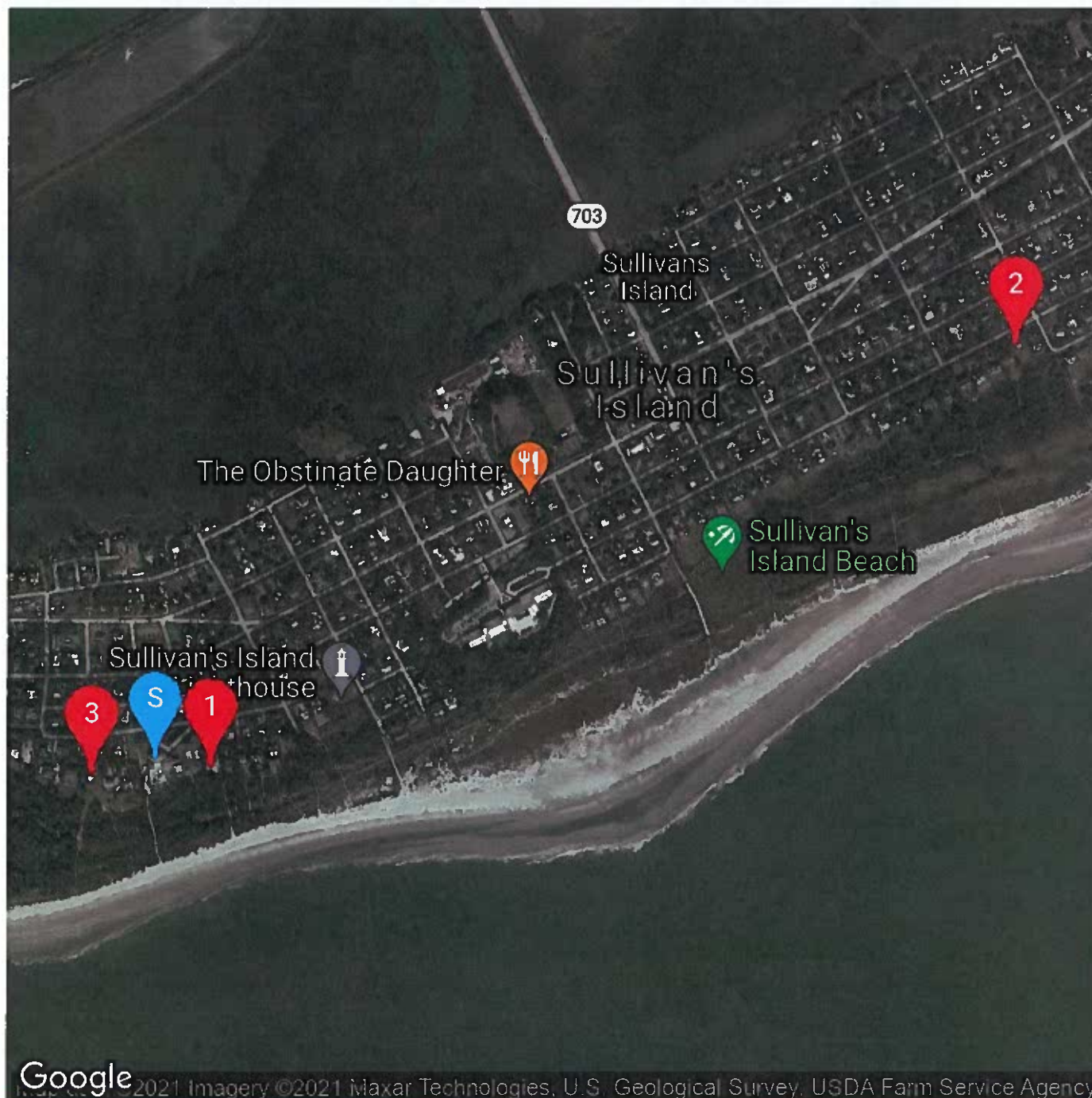
LAND VALUATION PRESENTATION

The following Land Sales Summation Table, Location Map and datasheets summarize the sales data used in this analysis. Following these items, the comparable land sales are adjusted for applicable elements of comparison and the opinion of site value is concluded.

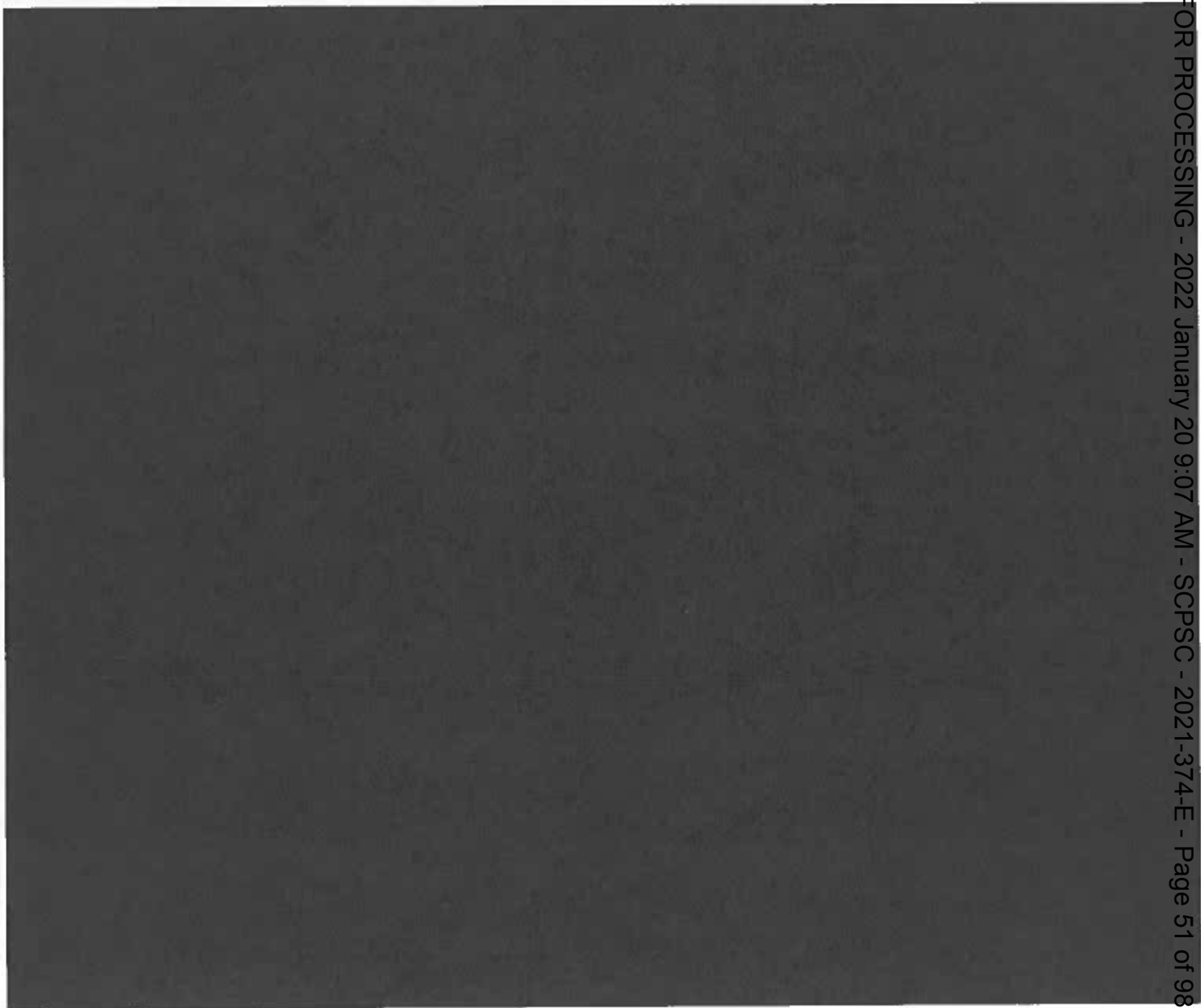
FRONT BEACH LOT SALES SUMMATION TABLE

COMPARABLE	SUBJECT	COMPARABLE 1	COMPARABLE 2	COMPARABLE 3
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
PHYSICAL INFORMATION				
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
SALE INFORMATION				
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

LAND SALES LOCATION MAP



COMPARABLE KEY						
COMP	ADDRESS	SALE DATE	ACRES	SF	\$/SF	
SUBJECT	1735 Atlantic Avenue, Sullivan's Island, SC	-				

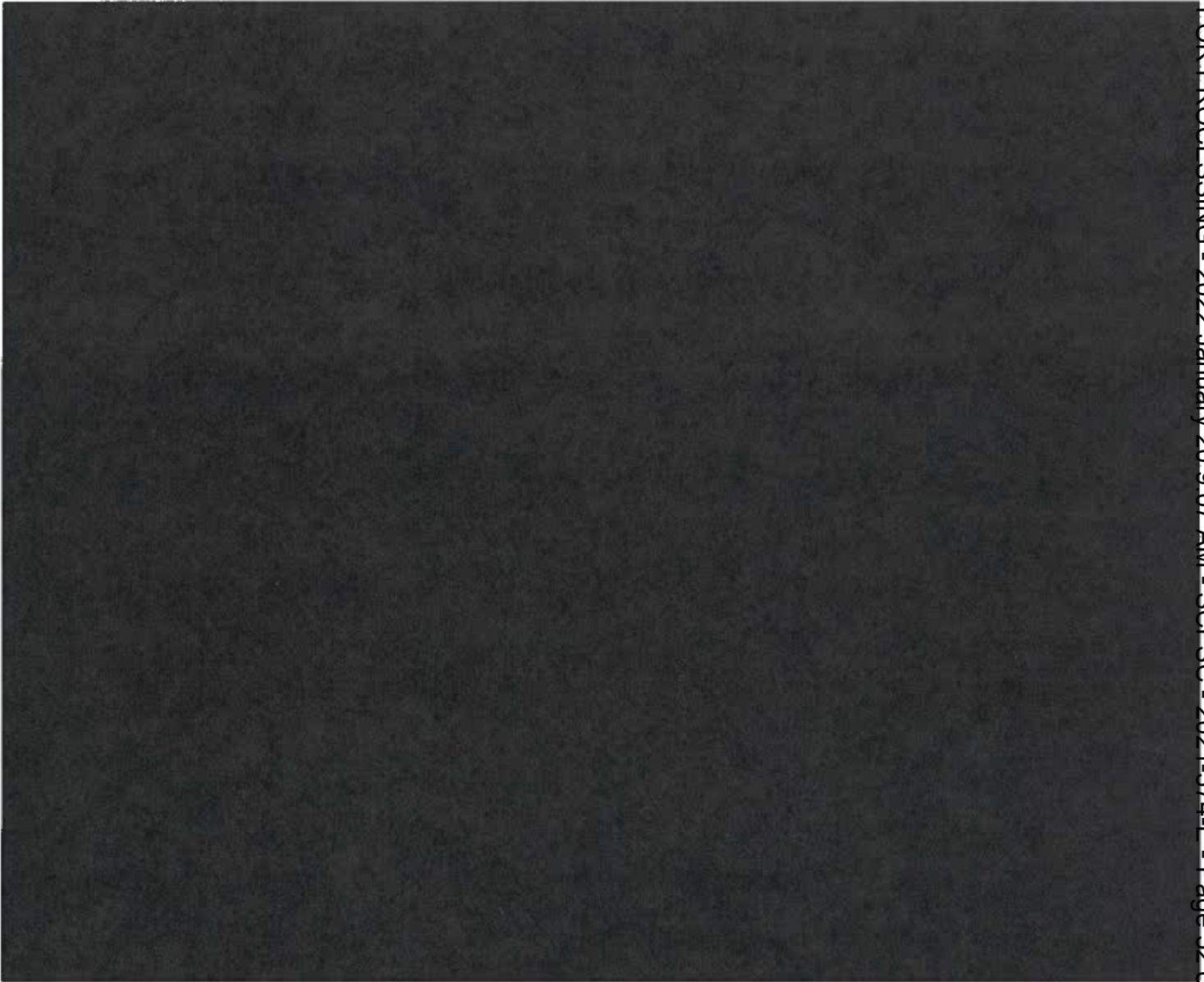


LAND VALUATION

CONTINUED

EXHIBIT B - PUBLIC

CHS210220

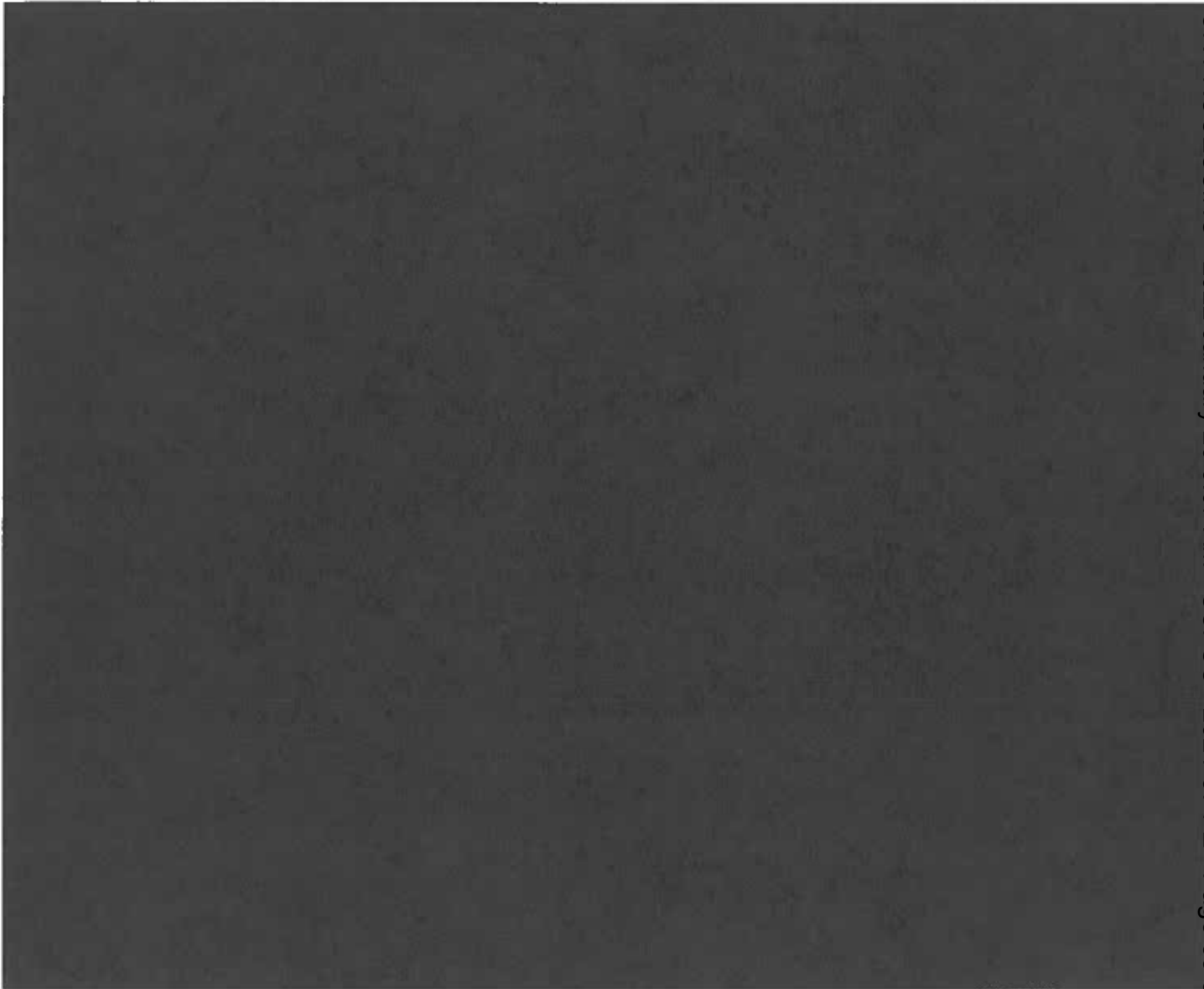


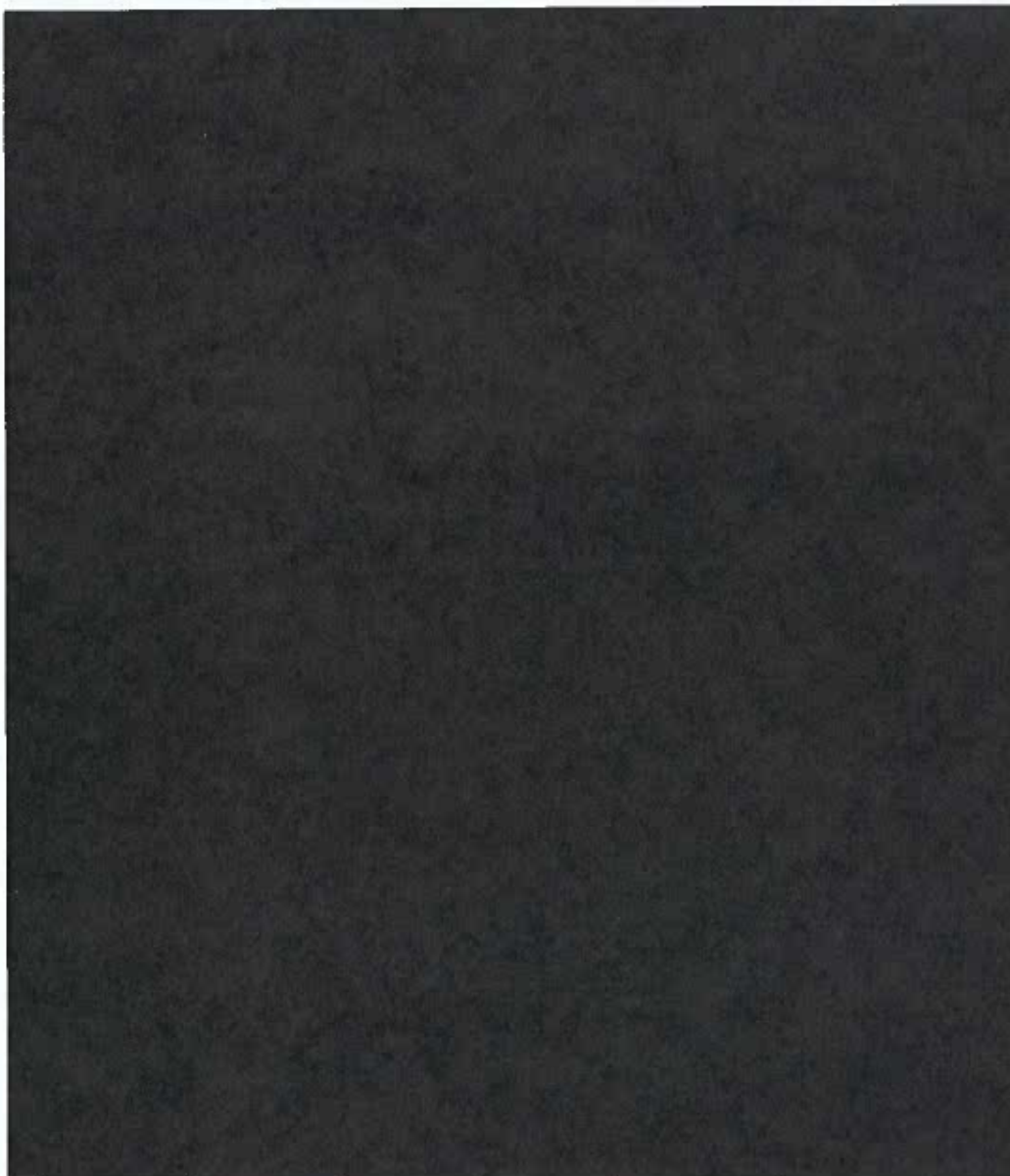
LAND VALUATION

CONTINUED

EXHIBIT B - PUBLIC

CHS210220





LAND SALES ANALYSIS

Introduction

The comparable land sales indicate an adjusted value range from [REDACTED] with a median of [REDACTED] and an average of [REDACTED]. The range of total gross adjustment applied to the comparables was from [REDACTED] with an average gross adjustment across all comparables of [REDACTED]. The level of total adjustment applied to the comparables is considered minimal, an indication that the dataset is applicable to the subject and increases the credibility of the analysis. The adjustment process for each comparable land sale is discussed in the following paragraphs.

Discussion of Adjustments

Comparable 1 [REDACTED] required a total upward transaction adjustment of [REDACTED]. A [REDACTED] annual time adjustment has been made for changes in market conditions. This comparable required a total upward adjustment of [REDACTED] for property characteristics. An adjustment for inferior overall site utility was made. The total gross adjustment applied to this comparable was [REDACTED]. The moderate level of gross adjustments required for this comparable indicates that it can be adequately relied upon for valuation of the subject. This comparable is given secondary consideration as a value indicator for the subject.

LAND VALUATION

CONTINUED

EXHIBIT B - PUBLIC

CHS210220

Comparable 2 [REDACTED] required a total upward transaction adjustment of [REDACTED]. A [REDACTED] annual time adjustment has been made for changes in market conditions. This comparable did not require any property characteristic adjustments. The total gross adjustment applied to this comparable was [REDACTED]. With no adjustments required, this comparable is viewed as a good substitute for the subject. For this analysis, this comparable commands primary consideration as a value indicator for the subject.

Comparable 3 [REDACTED] required a total upward transaction adjustment of [REDACTED]. A [REDACTED] annual time adjustment has been made for changes in market conditions. This comparable did not require any property characteristic adjustments. The total gross adjustment applied to this comparable was [REDACTED]. With no adjustments required, this comparable is viewed as a good substitute for the subject. For this analysis, this comparable commands primary consideration as a value indicator for the subject.

CALCULATION OF VALUE

The comparable land sales indicate an adjusted value range from [REDACTED] with a median of [REDACTED] and an average of [REDACTED]. Based on the results of the preceding analysis, Comparable 2 ([REDACTED] adjusted), Comparable 3 ([REDACTED] adjusted) | Comparable 5 (/SF adjusted) are given primary consideration for the subject's opinion of land value.

The following table summarizes the analysis of the comparables, reports the reconciled price per square foot value conclusion, and presents the concluded value of the subject site.



LAND VALUATION TWO PRESENTATION

The following Land Sales Summation Table, Location Map and datasheets summarize the sales data used in this second land sales valuation analysis. Following these items, the comparable land sales are adjusted for applicable elements of comparison and the opinion of site value is concluded.

[illegible]

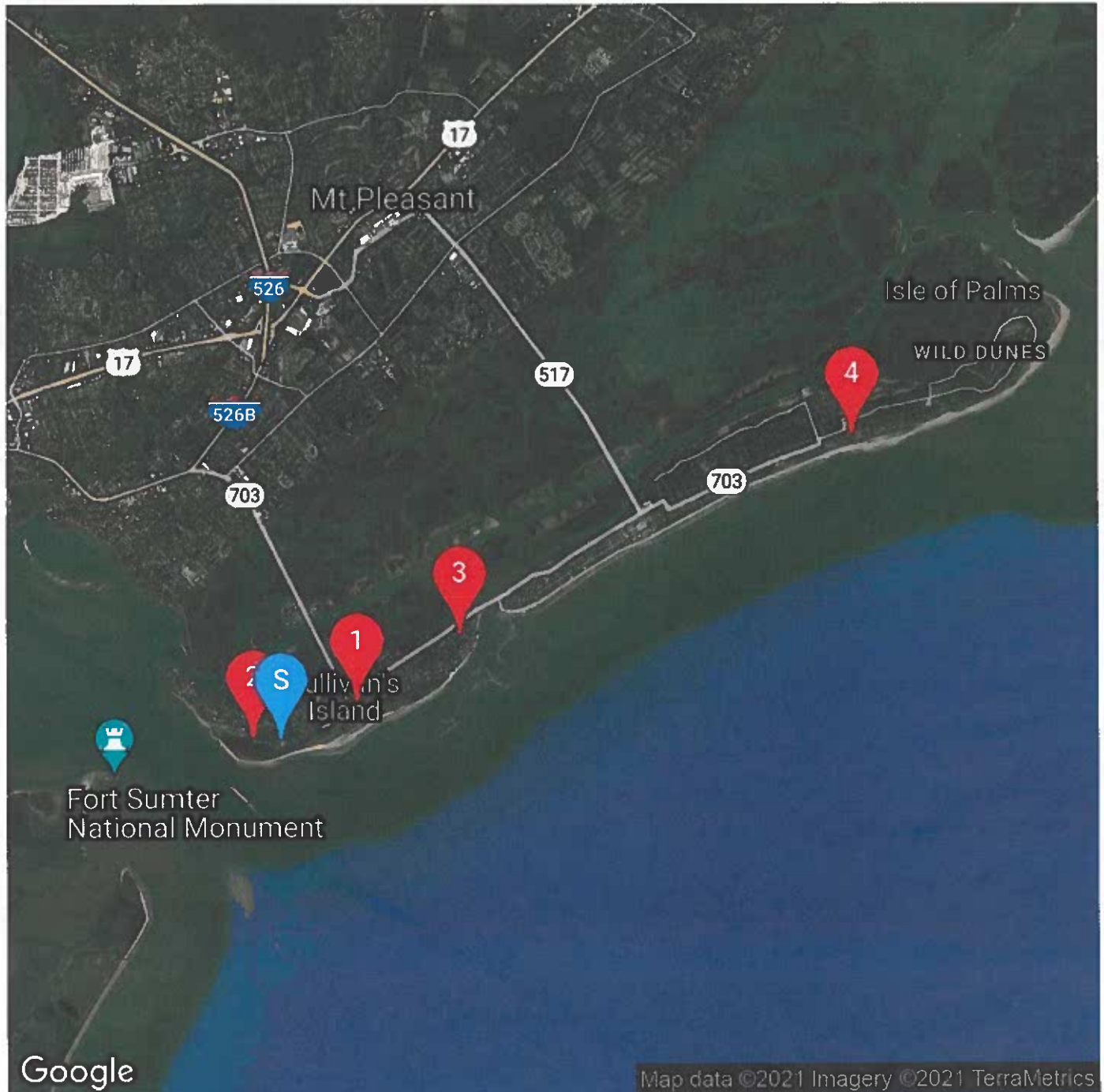
LAND VALUATION

CONTINUED

EXHIBIT B - PUBLIC

CHS210220

LAND SALES TWO LOCATION MAP



COMPARABLE KEY

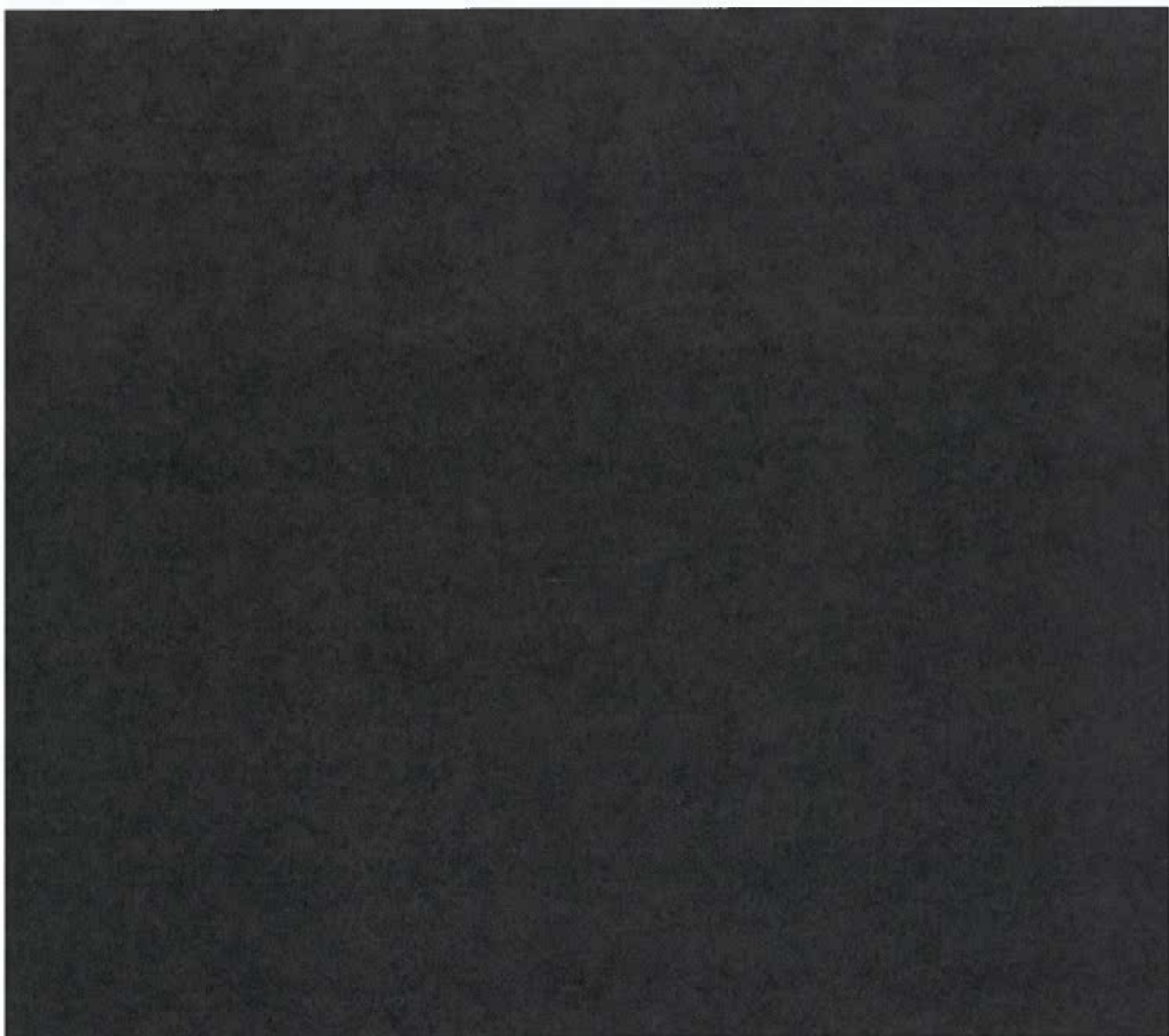
COMP	DISTANCE	ADDRESS	SALE DATE	ACRES	SF	\$/SF
SUBJECT	-	1735 Atlantic Avenue, Sullivans Island, SC	-	3.5	151,153	

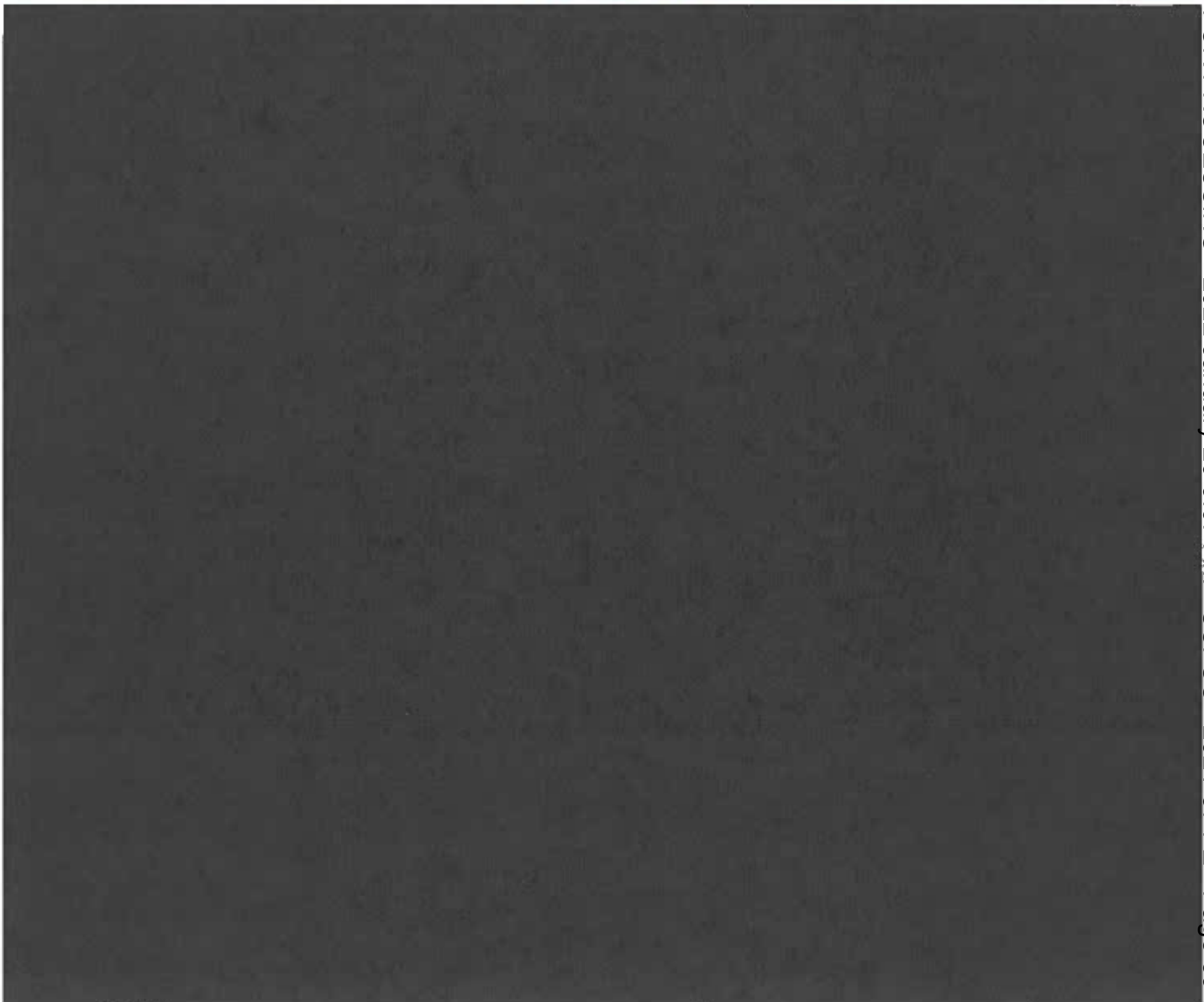
LAND VALUATION

CONTINUED

EXHIBIT B - PUBLIC

CHS210220



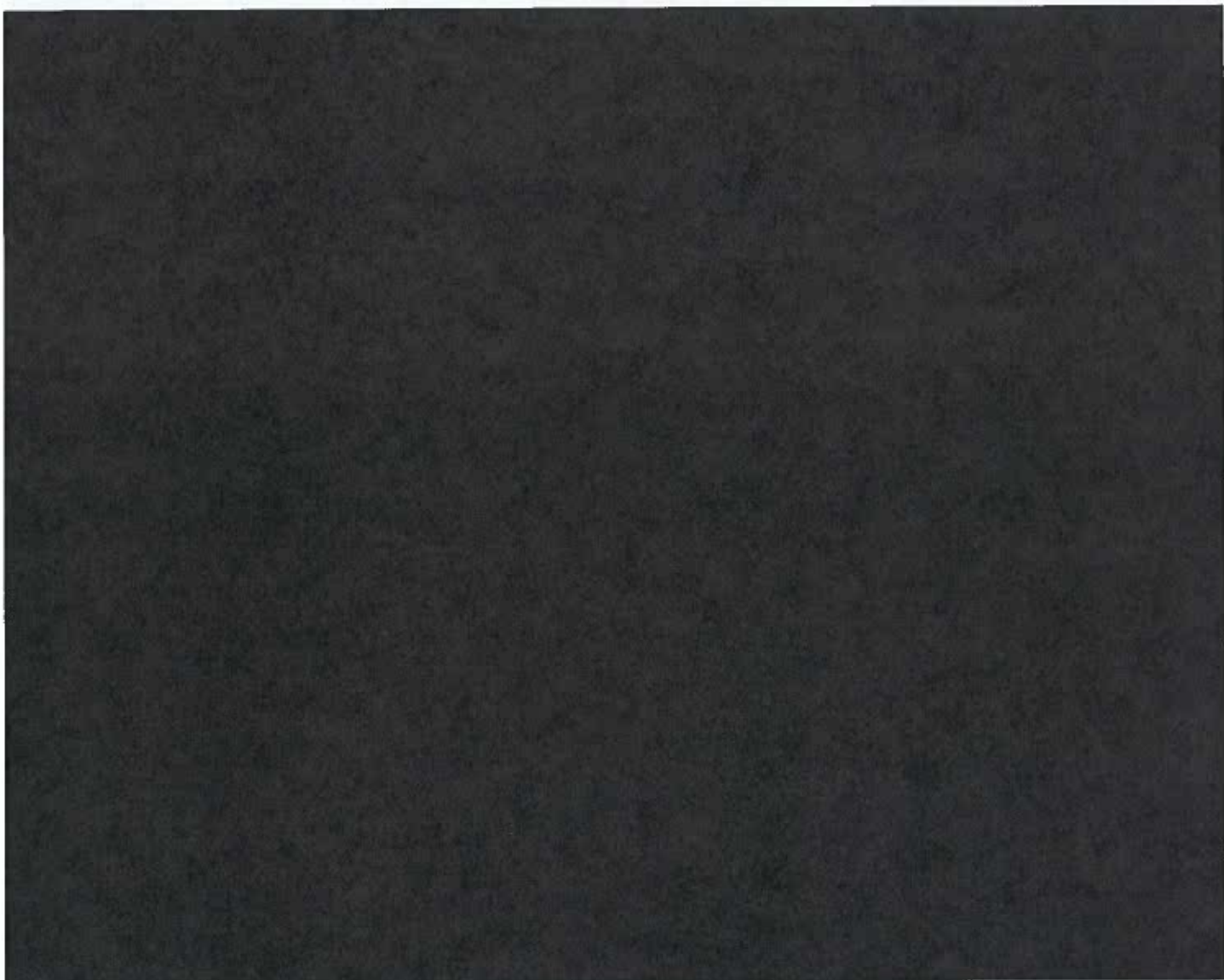


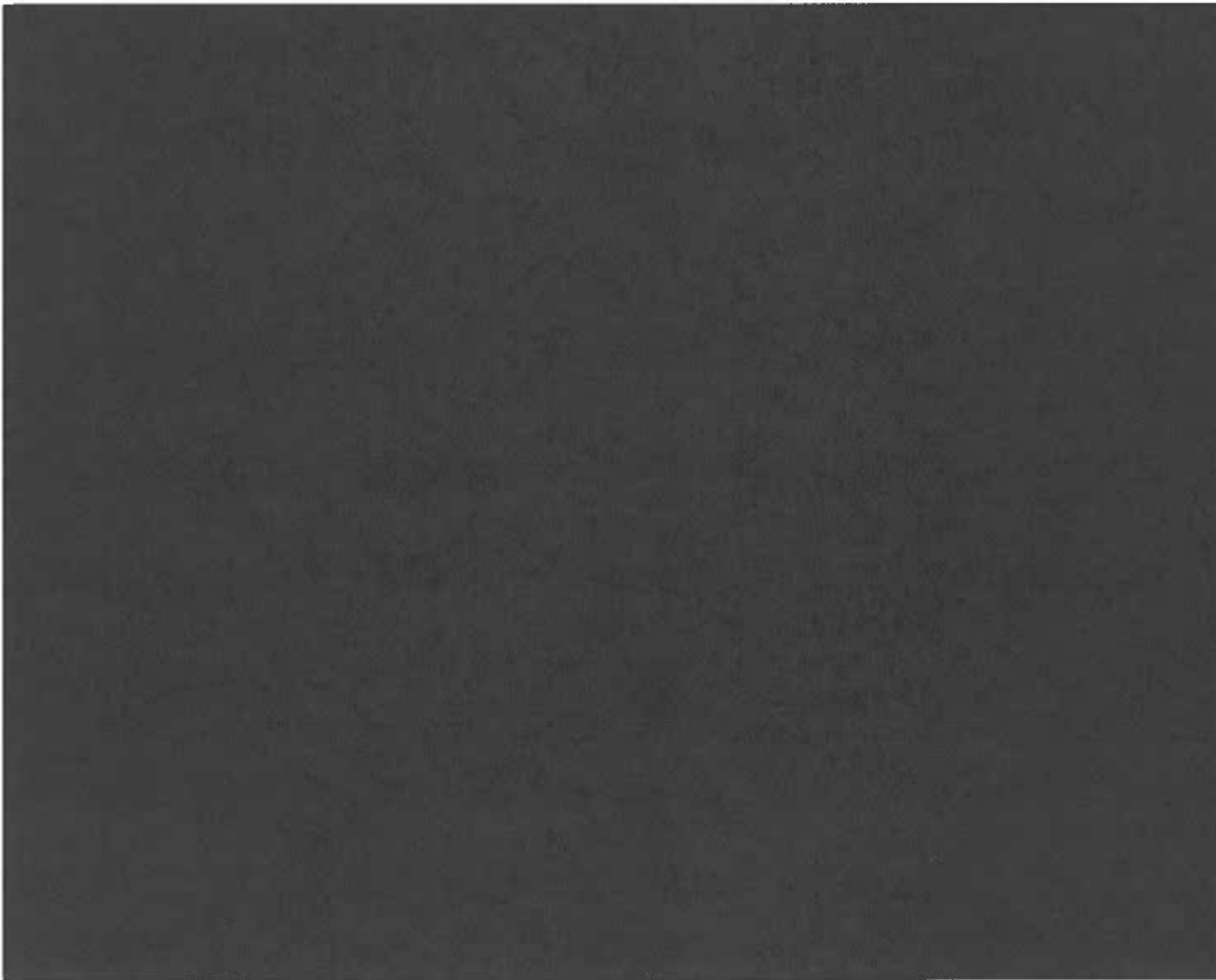
LAND VALUATION

CONTINUED

EXHIBIT B - PUBLIC

CHS210220



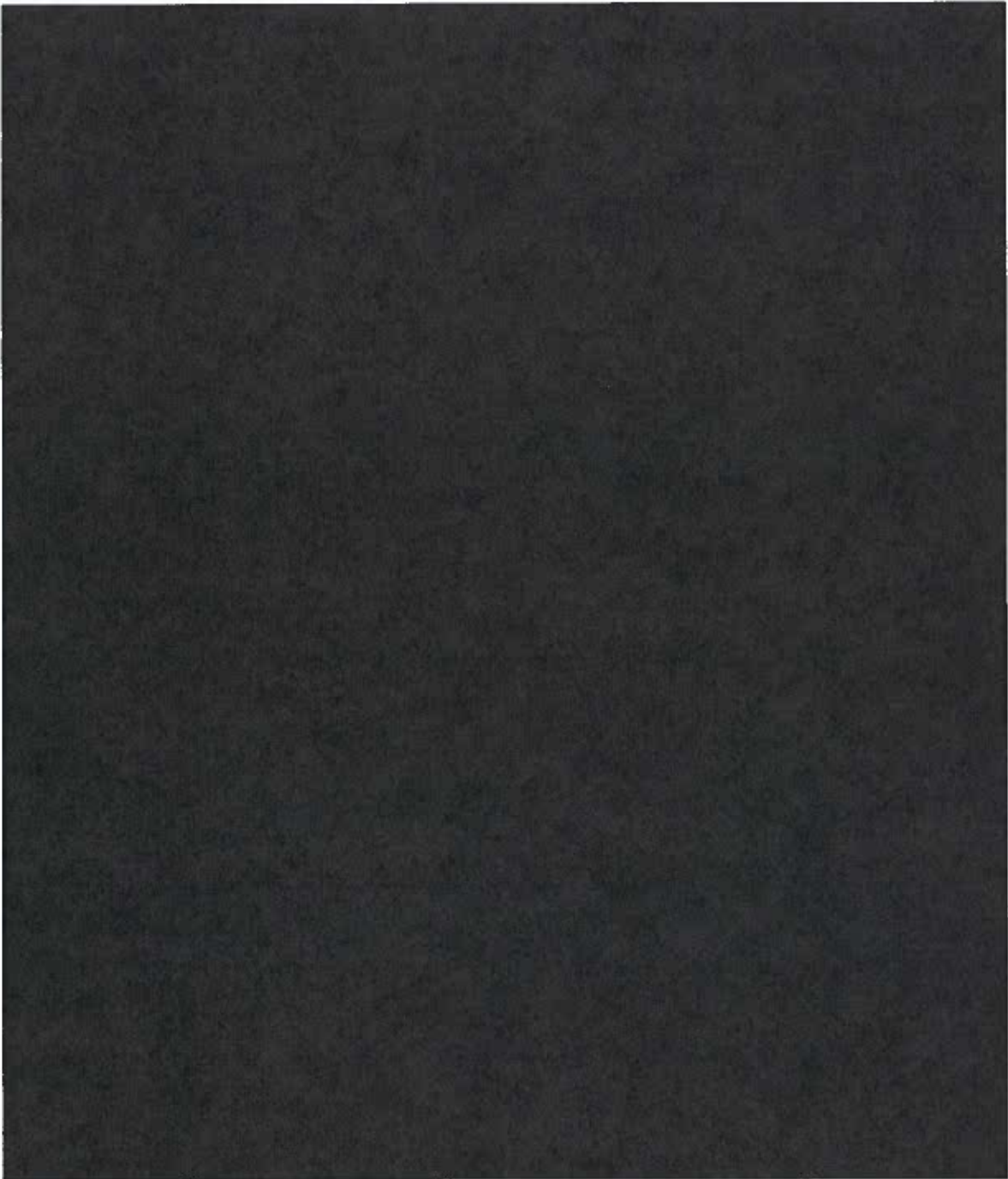


LAND VALUATION

CONTINUED

EXHIBIT B - PUBLIC

CHS210220



LAND VALUATION

CONTINUED

EXHIBIT B - PUBLIC

CHS210220

LAND SALES TWO ANALYSIS

Introduction

The comparable land sales indicate an adjusted value range from [REDACTED] with a median of [REDACTED] and an average of [REDACTED]. The range of total net adjustment applied to the comparables was from [REDACTED], with an average net adjustment across all comparables of [REDACTED]. The level of total adjustment applied to the comparables is considered minimal, an indication that the dataset is applicable to the subject and increases the credibility of the analysis. The adjustment process for each comparable land sale is discussed in the following paragraphs.

Discussion of Adjustments

Comparable 1 [REDACTED] required a total upward transaction adjustment of [REDACTED]. A [REDACTED] annual time adjustment has been made for changes in market conditions. This comparable did not require any property characteristic adjustments. The total net adjustment applied to this comparable was upward by [REDACTED]. With no adjustments required, this comparable is viewed as a good substitute for the subject. For this analysis, this comparable commands primary consideration as a value indicator for the subject.

Comparable 2 [REDACTED] required a total upward transaction adjustment of [REDACTED]. A [REDACTED] annual time adjustment has been made for changes in market conditions. This comparable did not require any property characteristic adjustments. The total net adjustment applied to this comparable was upward by [REDACTED]. With no adjustments required, this comparable is viewed as a good substitute for the subject. For this analysis, this comparable commands primary consideration as a value indicator for the subject.

Comparable 3 [REDACTED] required a total upward transaction adjustment of [REDACTED]. A [REDACTED] annual time adjustment has been made for changes in market conditions. This comparable required a total upward adjustment of [REDACTED] for property characteristics. An adjustment for inferior location on the island and overall inferior aesthetic utility was made. The total net adjustment applied to this comparable was upward by [REDACTED]. The substantial level of net adjustments required for this comparable was justified due to the comparable's varying attributes. Considering these factors, this comparable is given secondary consideration as a value indicator for the subject.

Comparable 4 [REDACTED] required a total upward transaction adjustment of [REDACTED]. A [REDACTED] annual time adjustment has been made for changes in market conditions. This comparable required a total upward adjustment of [REDACTED] for property characteristics. An adjustment for location was made. The total net adjustment applied to this comparable was upward by [REDACTED]. The minimal amount of net adjustments required for this comparable suggests it is similar to the subject, increasing its applicability for this analysis. Overall this comparable warrants primary consideration as a value indicator for the subject.

CALCULATION OF LAND SALES VALUE TWO

The comparable land sales indicate an adjusted value range from [REDACTED] with a median of [REDACTED] and an average of [REDACTED]. Based on the results of the preceding analysis, Comparable 1 ([REDACTED] adjusted), Comparable 2 ([REDACTED] adjusted) and Comparable 4 ([REDACTED] adjusted) are given primary consideration for the subject's opinion of land value.

The following table summarizes the analysis of the comparables, reports the reconciled price per square foot value conclusion, and presents the concluded value of the subject site.

[illegible]

RETAIL SALE PRICES

The subject's retail lot prices are then as follows:

SAND DUNES LOT PRICING PROJECTION				
SULLIVANS ISLAND				
Parcel	Size, SF	Price, SF	Price, Lot	Rounded
██████████				
██	██████████	████	██████████	██████████
██	██████████	████	██████████	██████████
██	██████████	████	██████████	██████████
██████████				██████████
██████████████████				
██	██████████	████	██████████	██████████
██	██████████	████	██████████	██████████
██	██████████	████	██████████	██████████
██	██████████	████	██████████	██████████
██	██████████	████	██████████	██████████
██	██████████	████	██████████	██████████
██	██████████	████	██████████	██████████
██████████				██████████

Based on the estimate of the gross retail selling values, we can then estimate the value as a whole to a single purchaser. This is the value of the entire property to an investor/developer, who would have to subdivide Parcel 28, remove the existing improvements, pay real estate commissions, pay other carrying costs, and realize an allowance for the time cost of money and other carrying costs. The following assumptions have been incorporated into the discounted cash flow analysis:

Absorption

Based on the subject's unique qualities, coupled with the demand for beach amenity driven lots in the market and the strength of the Sullivan's Island market, we have projected an average absorption of [REDACTED] for a total sellout of [REDACTED].

LAND VALUATION

CONTINUED

EXHIBIT B - PUBLIC

CHS210220

Development Costs

The subject's existing improvements total 11,500 SF of gross building area, and would need to be razed to create the five buildable sites. Based on our research, demolition costs generally range from [REDACTED] of GBA for similar facilities. The deduction for demolition costs is estimated at [REDACTED] for the existing subject improvements.

Real Estate Taxes

During the holding period, the developer will be responsible for the taxes on the unsold lots. Taxes are estimated at [REDACTED]. This is then pro-rated to the quarter of sale.

Closing Costs

We have estimated these costs at [REDACTED] per sale. This was calculated based on a closing cost of [REDACTED], plus deed stamps based on [REDACTED], and then rounded.

Commissions

We have considered a [REDACTED] commission to be a reasonable market level.

Appreciation

Over the [REDACTED] sellout period, it is reasonable to anticipate modest increases in lot prices and expenses. In reality, the market is very cyclical with prices increasing during certain periods of time and then remaining stagnant during other periods. Obviously, price increases are a function of supply and demand in the market, and based on the historical trend, the prospect for future appreciation is modest at best. For analysis purposes, we have not projected an inflation rate in the cash flow stream, but rather have considered it in today's dollars. This assumption is tied directly with the discount rate, which will be next.

Discounting of Cash Flows

Standard appraisal theory dictates that entrepreneurialship (profit) and yield requirements are treated as separate items in the development process, which is essentially a partitioning of the discount rate. In conversations with several investors and developers, the reality of the marketplace is that a blanket discount rate that incorporates a profit into the yield expectation is often used.

Entrepreneurial Risk and Profit

As stated earlier, entrepreneurial risk and profit is the anticipated return, (profit), that developers expect to receive to compensate them for the entrepreneurial risk that they will undertake. Included in this are the risks sales activity and market exposure. In consideration of the size of the development and the relatively short absorption period, we have considered a [REDACTED] profit to be appropriate to offset the risk.

Presented another way, if the subject's 9 lots were acquired in bulk, the purchaser could expect a profit of [REDACTED] as incentive to complete the development and sellout the remaining inventory.

Discount Rate

In selecting the appropriate discount rate to use in the valuation, we have consulted the Realty Rates Developer Survey-2nd Quarter 2021, a survey that tracks actual discount rates for various types of properties. The rates are summarized in the chart below.

LAND VALUATION

CONTINUED

EXHIBIT B - PUBLIC

CHS210220

RealtyRates.com DEVELOPER SURVEY - 2nd Quarter 2021*						
National - Subdivisions & PUDs						
	Actual Rates			Pro-Forma Rates		
	Min	Max	Avg	Min	Max	Avg
Site-Built Residential	12.79%	47.73%	30.41%	12.27%	45.82%	29.19%
-100 Units	12.79%	41.15%	27.10%	12.27%	39.50%	26.02%
100-500 Units	13.11%	45.26%	29.33%	12.58%	43.45%	28.72%
500+ Units	13.43%	47.32%	30.53%	12.99%	45.43%	30.47%
Mixed Use	13.74%	47.73%	30.89%	13.20%	45.82%	30.84%
Manufactured Housing	12.61%	50.74%	32.47%	12.11%	48.71%	30.56%
-100 Units	12.61%	44.12%	29.07%	12.11%	42.35%	27.37%
100-500 Units	12.93%	48.53%	31.50%	12.41%	46.59%	30.24%
500+ Units	13.24%	50.74%	32.79%	12.71%	48.71%	32.09%
Business Parks	12.79%	47.02%	30.65%	12.28%	45.14%	28.85%
-100 Acres	12.79%	40.88%	27.51%	12.28%	39.25%	25.89%
100-500 Acres	13.11%	44.97%	29.77%	12.59%	43.17%	28.58%
500+ Acres	13.43%	47.02%	30.98%	12.90%	45.14%	30.32%
Industrial Parks	12.90%	40.27%	27.25%	12.38%	38.66%	26.21%
-100 Acres	12.90%	35.02%	24.56%	12.38%	33.62%	23.16%
100-500 Acres	13.22%	38.52%	26.52%	12.69%	36.98%	25.51%
500+ Acres	13.54%	40.27%	27.58%	13.00%	38.66%	26.01%

*1st Quarter 2021 Data

Copyright 2021 RealtyRates.com™

RealtyRates.com DEVELOPER SURVEY - 2nd Quarter 2021*						
Southeast - Subdivisions & PUDs						
	Actual Rates			Pro-Forma Rates		
	Min	Max	Avg	Min	Max	Avg
Site-Built Residential	13.14%	30.74%	20.33%	12.61%	29.51%	19.52%
-100 Units	13.14%	26.50%	19.42%	12.61%	25.44%	18.65%
100-500 Units	13.46%	29.15%	20.46%	12.93%	27.99%	19.64%
500+ Units	13.79%	30.48%	20.81%	13.24%	29.26%	19.97%
Mixed Use	14.12%	30.74%	20.64%	13.56%	29.51%	19.81%
Manufactured Housing	12.96%	32.68%	21.13%	12.44%	31.37%	20.29%
-100 Units	12.96%	28.42%	20.27%	12.44%	27.28%	19.46%
100-500 Units	13.28%	31.26%	21.38%	12.75%	30.01%	20.52%
500+ Units	13.61%	32.68%	21.75%	13.06%	31.37%	20.88%
Business Parks	13.14%	30.28%	20.14%	12.62%	29.07%	19.34%
-100 Acres	13.14%	26.33%	19.34%	12.62%	25.28%	18.57%
100-500 Acres	13.47%	28.97%	20.37%	12.93%	27.81%	19.56%
500+ Acres	13.80%	30.28%	20.72%	13.25%	29.07%	19.89%
Industrial Parks	13.25%	25.94%	18.23%	12.72%	24.90%	17.50%
-100 Acres	13.25%	22.55%	17.54%	12.72%	21.65%	16.84%
100-500 Acres	13.58%	24.81%	18.43%	13.04%	23.82%	17.69%
500+ Acres	13.91%	25.94%	18.73%	13.36%	24.90%	17.98%

*1st Quarter 2021 Data

Copyright 2021 RealtyRates.com™

Given the size of the project, the anticipated sellout time, a reasonable discount rate for the subject is [REDACTED]. This also takes into account that all income and expenses have been represented in today's dollars.

It deserves noting that these rates reflect total discounts that are a combination of entrepreneurial profit and yield rates. For the subject, a total rate of [REDACTED] has been used in the analysis, which is well within the range for the Southeast, but above the average. Given the size of the subject, anticipated price points, and the market exposure, the combined discount is reasonable.

LAND VALUATION

CONTINUED

EXHIBIT B - PUBLIC

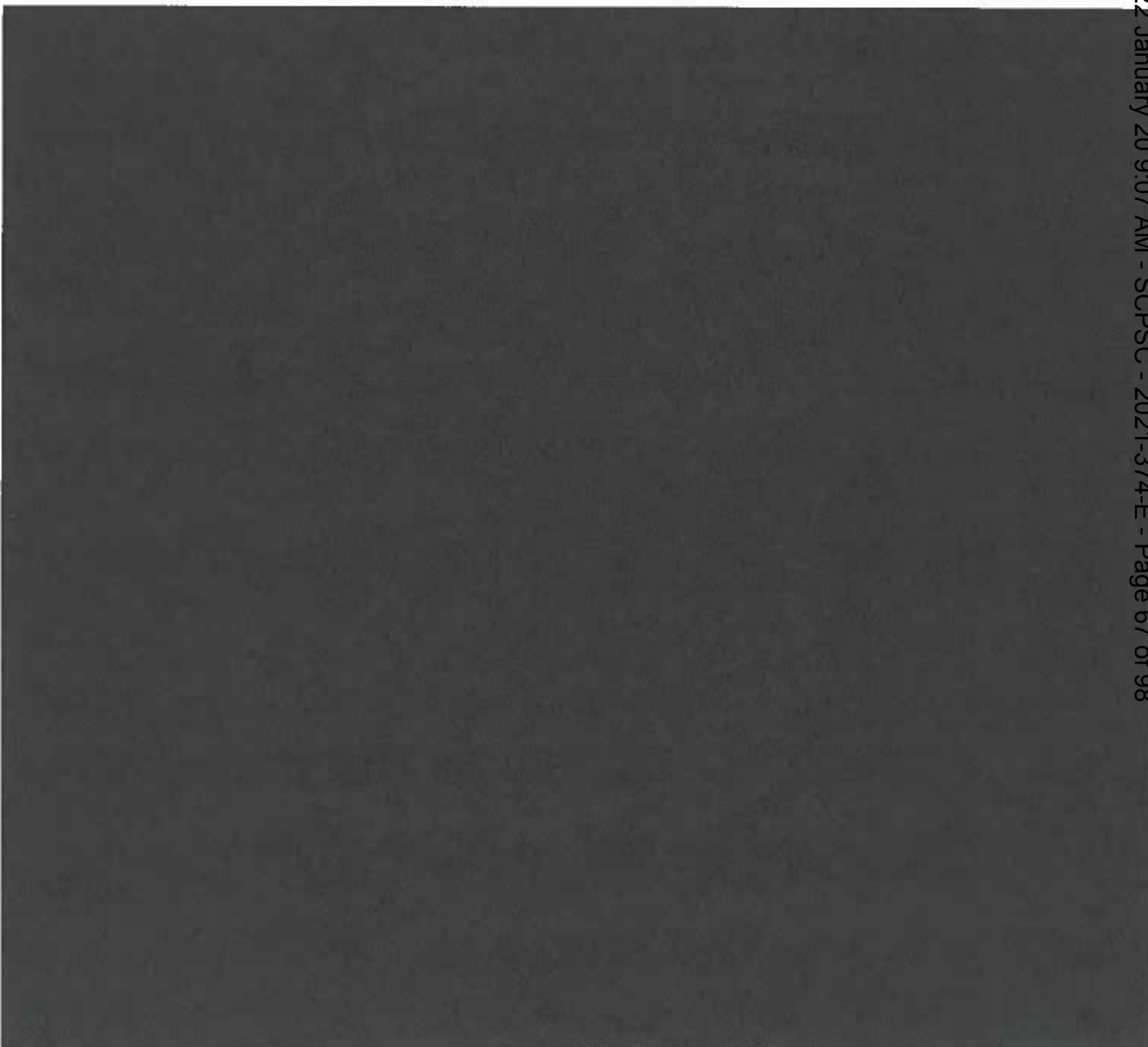
CHS210220

CONCLUSION

As shown on the discounted cash flow presented on the following page, when the cash flow stream is discounted at [REDACTED], the present worth is [REDACTED], or say [REDACTED].

This equates to about [REDACTED] of the retail selling value, and is what the developer/investor could afford to pay for the property, based on these assumptions, to achieve the anticipated returns.

SELLOUT ANALYSIS - SAND DUNES LOTS



RECONCILIATION OF VALUE CONCLUSIONS

EXHIBIT B - PUBLIC

CHS210220

INTRODUCTION

The Reconciliation of Value Conclusions is the final step in the appraisal process and involves the weighing of the individual valuation techniques in relationship to their substantiation by market data, and the reliability and applicability of each valuation technique to the subject property. Understanding the profiles of potential buyers and their typical reliance on each approach to value strongly influences the weighting process.

Our opinion of value reflects current conditions and the likely actions of market participants as of the date of value. It is based on the available information gathered and provided to us, as presented in this report, and does not predict future performance. Changing market or property conditions can and likely will have an effect on the subject's value.

The following table summarizes our final opinion of the As-Is Market Value of the subject property's fee simple interest.

ANALYSIS OF VALUE CONCLUSIONS	
VALUATION INDICES	MARKET VALUE
INTEREST APPRAISED	FEE SIMPLE
DATE OF VALUE	AUGUST 6, 2021
FINAL VALUE CONCLUSION	

We certify that, to the best of our knowledge and belief:

- › The statements of fact contained in this report are true and correct.
- › The reported analyses, opinions, and conclusions of the signers are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- › The signers of this report has no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- › Curtis S. McCall, Jr., CRE, MAI has performed no services, as an appraiser or in any other capacity regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment. Jerry P. Gisclair II MAI, MRICS has performed no services, as an appraiser or in any other capacity regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- › The signers are not biased with respect to the property that is the subject of this report or to the parties involved with this assignment.
- › The engagement in this assignment was not contingent upon developing or reporting predetermined results.
- › The compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- › The reported analysis, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice* and the *Code of Professional Ethics and Standards of Professional Appraisal Practice* of the Appraisal Institute.
- › Curtis S. McCall, Jr., CRE, MAI inspected the property that is the subject of this report. Jerry P. Gisclair II MAI, MRICS did not inspect the property that is the subject of this report.
- › No one provided significant real property appraisal assistance to appraisers signing this certification.

The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

CERTIFICATION

CONTINUED

EXHIBIT B - PUBLIC

CHS210220

As of the date of this report Curtis S. McCall, Jr., CRE, MAI and Jerry P. Gisclair II MAI, MRICS completed the continuing education program for Designated Members of the Appraisal Institute.



August 30, 2021

Date

Curtis S. McCall, Jr., CRE, MAI
Executive Managing Director | Carolinas Region Lead
Certified General Real Estate Appraiser
State of South Carolina License #CG 305
+1 843 442 1915
curt.mccall@colliers.com



August 30, 2021

Date

Jerry P. Gisclair II MAI, MRICS
Executive Managing Director - National Client Services
Certified General Real Estate Appraiser
State of South Carolina License #6865
+1 813 871 8531
jerry.gisclair@colliers.com

ASSUMPTIONS & LIMITING CONDITIONS

EXHIBIT B - PUBLIC

CHS210220

This appraisal is subject to the following assumptions and limiting conditions:

- › The appraisers may or may not have been provided with a survey of the subject property. If further verification is required, a survey by a registered surveyor is advised.
- › We assume no responsibility for matters legal in character, nor do we render any opinion as to title, which is assumed to be marketable. All existing liens, encumbrances, and assessments have been disregarded, unless otherwise noted, and the property is appraised as though free and clear, under responsible ownership, and competent management.
- › The exhibits in this report are included to assist the reader in visualizing the property. We have made no survey of the property and assume no responsibility in connection with such matters.
- › Unless otherwise noted herein, it is assumed that there are no encroachments, zoning, or restrictive violations existing in the subject property.
- › The appraisers assume no responsibility for determining if the property requires environmental approval by the appropriate governing agencies, nor if it is in violation thereof, unless otherwise noted herein.
- › Information presented in this report has been obtained from reliable sources, and it is assumed that the information is accurate.
- › This report shall be used for its intended purpose only, and by the party to whom it is addressed. Possession of this report does not include the right of publication.
- › The appraisers may not be required to give testimony or to appear in court by reason of this appraisal, with reference to the property in question, unless prior arrangements have been made therefore.
- › The statements of value and all conclusions shall apply as of the dates shown herein.
- › There is no present or contemplated future interest in the property by the appraisers which is not specifically disclosed in this report.
- › Without the written consent or approval of the authors neither all, nor any part of, the contents of this report shall be conveyed to the public through advertising, public relations, news, sales, or other media. This applies particularly to value conclusions and to the identity of the appraisers and the firm with which the appraisers are connected.
- › This report must be used in its entirety. Reliance on any portion of the report independent of others, may lead the reader to erroneous conclusions regarding the property values. Unless approval is provided by the authors no portion of the report stands alone.
- › The valuation stated herein assumes professional management and operation of the buildings throughout the lifetime of the improvements, with an adequate maintenance and repair program.
- › The liability of Colliers International Valuation & Advisory Services, its principals, agents, and employees is limited to the client. Further, there is no accountability, obligation, or liability to any third party. If this report is placed in the hands of anyone other than the client, the client shall make such party aware of all limiting conditions and assumptions of the assignment and related discussions. The appraisers are in no way responsible for any costs incurred to discover or correct any deficiency in the property.
- › The appraisers are not qualified to detect the presence of toxic or hazardous substances or materials which may influence or be associated with the property or any adjacent properties, has made no investigation or analysis as to the presence of such materials, and expressly disclaims any duty to note the degree of fault. Colliers International Valuation & Advisory Services and its principals, agents, employees, shall not be liable for any costs, expenses, assessments, or penalties, or diminution in value, property damage, or personal

ASSUMPTIONS & LIMITING CONDITIONS

CONTINUED

EXHIBIT B - PUBLIC

CHS210220

injury (including death) resulting from or otherwise attributable to toxic or hazardous substances or materials, including without limitation hazardous waste, asbestos material, formaldehyde, or any smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids, solids or gasses, waste materials or other irritants, contaminants or pollutants.

- › The appraisers assume no responsibility for determining if the subject property complies with the *Americans with Disabilities Act (ADA)*. Colliers International Valuation & Advisory Services, its principals, agents, and employees, shall not be liable for any costs, expenses, assessments, penalties or diminution in value resulting from non-compliance. This appraisal assumes that the subject meets an acceptable level of compliance with *ADA* standards; if the subject is not in compliance, the eventual renovation costs and/or penalties would negatively impact the present value of the subject. If the magnitude and time of the cost were known today, they would be reduced from the reported value conclusion.
- › An on-site inspection of the subject property was conducted. No evidence of asbestos materials on-site was noted. A Phase 1 Environmental Assessment was not provided for this analysis. This analysis assumes that no asbestos or other hazardous materials are stored or found in or on the subject property. If evidence of hazardous materials of any kind occurs, the reader should seek qualified professional assistance. If hazardous materials are discovered and if future market conditions indicate an impact on value and increased perceived risk, a revision of the concluded values may be necessary.
- › A detailed soils study was not provided for this analysis. The subject's soils and sub-soil conditions are assumed to be suitable based upon a visual inspection, which did not indicate evidence of excessive settling or unstable soils. No certification is made regarding the stability or suitability of the soil or sub-soil conditions.
- › This analysis assumes that the financial information provided for this appraisal, including rent rolls and historical income and expense statements; accurately reflect the current and historical operations of the subject property.

ADDENDA

EXHIBIT B - PUBLIC

CHS210220

Engagement Letter

Valuation Glossary

Qualifications of Appraisers

Qualifications of Colliers International Valuation & Advisory Services

Colliers Valuation & Advisory Services

EXHIBIT B - PUBLIC

Professional Service Agreement



75 Port City Landing, Suite 110
Mt. Pleasant, SC 29464
Direct: +1 843 990 7815
www.colliers.com/valuationadvisory

July 30, 2021

Curtis S. McCall, Jr., CRE, MAI
Executive Managing Director | Carolinas Region Leader
Direct +1 843 990 7815
Curt.mccall@colliers.com

Rick Reames, III, Esq.
Nexsen Pruet, LLC
1230 Main Street, Suite 700
Columbia, SC 29201
+1 803 540 2055
rreames@nexsenpruet.com

RE: Appraisal of the Sand Dunes Club, Sullivans Island, SC

Dear Mr. Reames:

Thank you for considering Colliers International Valuation & Advisory Services, LLC for the assignment identified in the below stated Professional Service Agreement. Please sign one copy of the agreement and return it to me, thereby indicating your authorization for us to proceed with this assignment and your acceptance of the attached Terms and Conditions.

PROFESSIONAL SERVICE AGREEMENT (“Agreement”)	
Project	Sand Dunes Club (“Property”)
Location	1735 Atlantic Avenue, Sullivans Island, SC 29482
Parties	Colliers International Valuation & Advisory Services, LLC (“CIVAS”) and Nexsen Pruet, LLC (herein at times referred to as “Client”)
Intended User	The appraisal will be prepared for Nexsen Pruet, LLC. Intended users include the Client, Rick Reames, III, and Dominion Energy, Inc. No other users are intended.
Intended Use	The report to be performed under this Agreement (“Appraisal”) is intended only for use in business decisions regarding real estate and potential litigation support. The report is not intended for any other use.
Purpose	Market Value
Type of Appraisal	CIVAS will produce an Appraisal Report in which the appraiser’s analysis and conclusions will be summarized within this document.
Rights Appraised	Fee Simple Estate
Date of Value	Date of Inspection

Accelerating success.

Professional Service Agreement

Continued

EXHIBIT B - PUBLIC

Scope of Work	<p>CIVAS and/or its designated affiliate will provide the Appraisal in accordance with USPAP, and the Code of Ethics and Certifications Standards of the Appraisal Institute and State Licensing Laws. CIVAS will research relevant market data and perform analysis to the extent necessary to produce credible appraisal results. Based on our discussions with the Client, the Client has requested the following valuation scenarios:</p> <ul style="list-style-type: none"> › Market Value <p>CIVAS anticipates developing the following valuation approaches:</p> <ul style="list-style-type: none"> › All applicable approaches <p>An interior/exterior observation of the subject property will be performed..</p> <p>Please note if it's a requirement per the client's underwriting guidelines to analyze and report all approaches to value, this will be performed although some approaches may be limited in application.</p> <p>The scope of work will be included in the Appraisal. A copy of the Assumptions and Limiting Conditions, which appear in the Appraisal, is available upon request.</p>
Delivery	<p>Draft Appraisal: Delivered by August 13, 2021.</p> <p>Final Appraisal: Delivered three (3) days after completion of client review and authorization to deliver final report.</p>
Professional Fee	<p>_____</p> <ul style="list-style-type: none"> • Litigation support and court preparation (including travel): _____ per hour • Expert testimony and depositions: _____ per hour
Expenses	Fees include all associated expenses.
No. of Reports	<p>One (1) Electronic Final Appraisal.</p> <p>No printed copies will be delivered to the client.</p>
Retainer	No retainer is required
Payment Terms	<p>CIVAS will invoice Client for the Appraisal in its entirety at the delivery of the draft appraisal.</p> <p>Final payment is due and payable within five (5) business days upon delivery of the electronic copy of the Final Appraisal or within thirty (30) days of your receipt of our Draft Appraisal, whichever is sooner. If a Draft Appraisal is requested, the fee is considered earned upon delivery of our Draft Appraisal.</p>
Acceptance Date	These specifications are subject to modification if this Agreement is not accepted within three (3) business days from the date of this letter.

Terms and Conditions

The attached Terms and Conditions and Specific Property Data Request are deemed a part of this Agreement as though set forth in full herein. The following is a list of information needed to begin and complete our analysis. The Client signing this Agreement or the party sending the specific property data certifies that all the information provided is accurate and complete as of the date of this request, and that any updates, revisions or additional relevant information that comes into control or possession of the Client prior to the date on which the Appraisal is delivered shall be provided to CIVAS immediately. Please forward with the Agreement or as soon as possible.

- | | |
|---|--|
| › Survey with Legal Description & Site Size | › Three year & YTD Income & Expenses |
| › Title Report | › Current Budget |
| › Wetland Delineation Map (if applicable) | › Detailed occupancy report for the past 3 years and YTD |
| › Engineering studies, soil tests or environmental assessments | › Detailed current certified rent roll indicating any vacant units and in-place rents |
| › Ground lease and amendments | › Details regarding any pending changes to the rent roll including any negotiated side deals to delay or forgive rent payments |
| › Ground lease payment history | › Aged Accounts/Delinquency Report |
| › Existing Building or Improvement Plans | › Details regarding any concessions currently being offered for new and existing tenants |
| › Individual Floor or Unit Plans | › Marketing plan and/or local competitive study, if available |
| › Current County Property Tax Bill | › Copy of recent Appraisals or Market Studies |
| › Details on any Sale, Contract, or listing of the property in the past 3 years | › Name and telephone number of property contact for physical inspection and additional information needed during the appraisal process |
| › Construction Cost/Budget (within past 3 years) | › Property Contact _____ |
| › Detailed list of personal property items | |
| › Property Condition Report | |
| › Details regarding the historical and future replacement schedule (i.e., carpets, appliances, cabinetry, laundry facilities, HVAC, etc.) | |
| › Capital improvements history (2 years) & budget | |

Professional Service Agreement

Continued

EXHIBIT B - PUBLIC

In addition to the items requested above, please forward any additional materials you would consider relevant in the analysis of the subject property.

Reliance Language

The Appraisal is for the sole use of the Client; however, Client may provide only complete, final copies of the Appraisal report in its entirety (but not component parts) to third parties who shall review such reports in connection with the stated Intended Use. CIVAS is not required to explain or testify as to appraisal results other than to respond to the Client for routine and customary questions. Please note that our consent to allow the Appraisal prepared by CIVAS or portions of such Appraisal, to become part of or be referenced in any public offering, the granting of such consent will be at our sole and absolute discretion and, if given, will be on condition that CIVAS will be provided with an Indemnification Agreement and/or Non-Reliance letter, in a form and content satisfactory to CIVAS, by a party satisfactory to CIVAS.

CIVAS does consent to your submission of the reports to rating agencies, loan participants or your accountants/auditors in its entirety (but not component parts) without the need to provide CIVAS with an Indemnification Agreement and/or Non-Reliance letter. CIVAS hereby expressly grants to Client the right to copy the Appraisal and distribute it to employees of Client.

The Appraisal requires CIVAS to submit a Summation of the Appraisal Findings in the form of a Letter of Transmittal along with the Summary of Salient Facts and Special/Limiting Conditions applicable to the Appraisal. This will be completed in conjunction with the Appraisal at the above stated fee.

If you have questions regarding the enclosed, please feel free to contact me. CIVAS appreciates this opportunity to be of service to you on this assignment and looks forward to serving you. If you have additional questions, please contact us.

I, Rick Reames, III, Esq./Nexsen Pruet, LLC, agree to the above stated terms and authorize Colliers International Valuation & Advisory Services, LLC to prepare the above referenced appraisal.



Date: 8/4/2021

**Rick Reames, III, Esq.
Nexsen Pruet, LLC**

Respectfully,

Colliers International Valuation & Advisory Services, LLC



**Curtis S. McCall, Jr., CRE, MAI
Executive Managing Director | Carolinas Region Leader
Direct +1 843 990 7815
Curt.mccall@colliers.com**

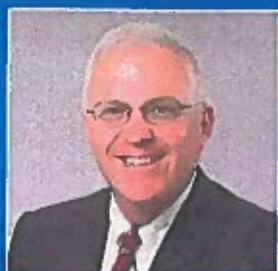
Terms and Conditions**"T&C"**

- 1) The Appraisal will be subject to Colliers International Valuation & Advisory Services, LLC's ("CIVAS") Assumptions and Limiting Conditions that are incorporated into each appraisal, and any Extraordinary Assumptions and Hypothetical Conditions that may be incorporated into each appraisal.
- 2) Any capitalized, non-defined words shall have the same meaning as defined in the Agreement to which these T&Cs are attached.
- 3) Client is defined as the party signing the Agreement and shall be responsible for payment of the fees stipulated in the Agreement. Payment of the fee for the Appraisal is not contingent on the appraised value(s) or the outcome of the report(s). Additional fees will be charged on an hourly basis for any work that may exceed the scope of this proposal, including performing additional valuation scenarios, additional research, and conference calls, meetings, deposition preparation, deposition, trial testimony or travel that may exceed the time allotted by CIVAS for an assignment of this nature. If CIVAS is requested to cease working on the Appraisal for any reason prior to the completion of the appraisal(s), CIVAS will be entitled to bill the Client for the time spent to date at CIVAS' hourly rates for the personnel involved. The Client will be billed a minimum \$500 or at a rate of \$250 per hour for associate time, \$300 per hour for valuation services director, \$400 per hour for managing director, and \$450 per hour for executive managing director. If the Client delays completion of the assignment beyond ninety (90) days, the fee may be renegotiated. This may result in the total fee exceeding the original agreed fee agreed upon cost.
- 4) Client agrees to pay all fees and expenses, including attorney's fees, incurred by CIVAS in connection with the collection or attempted collection of the fees and expenses. In the event Client fails to make payments when due and payable, the amount due shall bear interest at 1.5% per month or the maximum rate permitted in the state in which the CIVAS office executing the Agreement is located, whichever is lesser.
- 5) The fee is due upon delivery of the final report or within thirty (30) days of your receipt of the draft report, whichever is sooner. If a draft is requested, the fee is considered earned upon delivery of our draft report.
- 6) In the event that either party commences any legal action relating to the provisions of the Agreement, including collection, the prevailing party shall be entitled to its actual attorneys' fees and costs. The Agreement shall be governed by and construed in accordance with the laws of the state where the CIVAS office executing the Agreement is located. The venue of any action arising out of the Agreement shall be the county where the CIVAS office executing the Agreement is located. Client will have up to thirty (30) days from receipt of the Draft Appraisal to review and communicate its review to CIVAS. CIVAS reserves the right to bill Client for additional appraisal efforts that may arise from the Client not responding within this time period.
- 7) CIVAS does not make any representation or warranty, express or implied, as to the accuracy or completeness of the information or the state of affairs of the Property furnished to CIVAS by Client. In the event that any such information is inaccurate, misleading or incomplete, CIVAS shall have no responsibility or liability for any matters relating thereto (whether to the Client or to any third party).
- 8) CIVAS shall have no responsibility for legal matters, questions of survey or title, soil or subsoil conditions, engineering, or other similar technical matters. The Appraisal will not constitute a survey of the Property analyzed.
- 9) Client shall provide CIVAS with such materials with respect to the Appraisal as requested by CIVAS and which are in the possession or under the control of Client. Client shall provide CIVAS with sufficient access to the Property to be analyzed and hereby grants permission for entry, unless discussed in advance to the contrary.
- 10) The data gathered in the course of the Appraisal (except data furnished by Client) and the Appraisal prepared pursuant to the Agreement are, and will remain, the property of CIVAS. With respect to data provided by Client, such data shall be confidential, and CIVAS shall not disclose any information identified as confidential furnished to CIVAS. Notwithstanding the foregoing, CIVAS is authorized by Client to disclose all or any portion of the Appraisal and the related data to appropriate representatives of the Appraisal Institute if such disclosure is required to enable CIVAS to comply with the Bylaws and Regulations of such Institute as now or hereafter in effect.
- 11) Unless specifically noted, CIVAS does not assume any duty to analyze or examine the Property or adjacent property for the possible presence of toxic and/or hazardous substances or materials (including but not exclusive to asbestos, PCB transformers, or other toxic, hazardous, or contaminated substances and/or underground storage tanks (hazardous material), or the cost of encapsulation or removal thereof) and accepts no liability regarding the issue. If such materials exist, CIVAS defers to the expertise of professionals specifically trained in analyzing the cost to remediate, which will not be a part of the appraisal fee proposal. The Appraisal will contain a comprehensive disclaimer to this effect.
- 12) CIVAS understands that there is no major or significant deferred maintenance in the Property which would require the expertise of a professional cost estimator or contractor. If such repairs are needed, the estimates are to be prepared by others, and are not a part of the fee contemplated in the Agreement.
- 13) Client acknowledges that CIVAS is being retained hereunder as an independent contractor to perform the services described herein and nothing in the Agreement shall be deemed to create any other relationship between Client and CIVAS. The Agreement shall be deemed concluded and the services hereunder completed upon delivery to Client of the Appraisal discussed herein.
- 14) Client agrees that its only remedy for losses or damages relating to the Agreement shall be limited to the amount of the appraisal fee paid by the Client and in no circumstances shall CIVAS be liable for any losses or damages in excess of this amount. Should the Client, or any other entitled party, make a claim against CIVAS, its directors, officers, employees and other affiliates and shareholders, relating to this engagement or the appraisal(s), the maximum damages recoverable from CIVAS, its directors, officers, employees and other affiliates and shareholders, shall be the amount of funds actually collected by CIVAS under the Agreement, and no claim shall be made for any consequential or punitive damages.

- 15) If CIVAS or any of its employees receives a subpoena or other judicial notification to produce documents or provide testimony involving the Appraisal in connection with a lawsuit or related proceeding, CIVAS will notify the Client of receipt of the subpoena or notification. However, if CIVAS is not part of the lawsuit or proceedings, Client agrees to compensate CIVAS for the professional time required and to reimburse CIVAS for the expenses incurred in responding to any such subpoena or judicial notification, including any attorneys' fees, as they are incurred. CIVAS is to be compensated at the prevailing hourly rates of the personnel responding to the subpoena or command for testimony.
- 16) If expert witness testimony is required in connection with the Appraisal, the following hourly rates will apply. The Client will be billed at the rate of \$250 per hour for associate time, \$350 per hour for valuation services director, \$400 per hour for managing director, and \$450 per hour for executive managing director. The hourly billings pertain to court preparation, waiting and travel time, document review and preparation (excludes appraisal report) and all meetings related to court testimony.
- 17) Client shall indemnify and hold CIVAS, its parent, subsidiaries, affiliates, its officers, directors, employees and agents ("CIVAS Indemnities"), fully harmless against all losses, damages, claims, and expenses of any kind whatsoever (including costs and reasonable attorneys' fees), sustained or incurred by a third party as a result of the negligence or intentional acts or omissions of Client (including any failure to perform any duty imposed by law), any misrepresentation, distortion or if Client fails to provide complete and accurate information to CIVAS, for which recovery is sought against the CIVAS Indemnities; however, such obligation to defend and indemnify shall not apply to the extent caused by the negligent act or willful misconduct of CIVAS. Client shall indemnify and hold CIVAS Indemnities harmless from any claims, expenses, judgments or other items or costs arising as a result of the Client's failure or the failure of any of the Client's agents to provide a complete copy of the Appraisal to any third party. **LIMITATION OF LIABILITY.** EXCEPT FOR THE INDEMNIFICATION PROVISION ABOVE, ANYTHING IN THE AGREEMENT TO THE CONTRARY NOTWITHSTANDING, UNDER NO CIRCUMSTANCES WHATSOEVER SHALL EITHER PARTY BE LIABLE TO THE OTHER FOR ANY SPECIAL, CONSEQUENTIAL, PUNITIVE, OR INCIDENTAL DAMAGES OF ANY KIND WHATSOEVER.
- 18) CIVAS agrees to maintain Professional Liability Insurance in the amount of \$1,000,000 and General Liability insurance in the amount of \$2,000,000, as well as Workers Compensation per local regulatory requirements. CIVAS will endeavor to provide Client with written notice regarding any cancellation of any such insurance. CIVAS will provide Client with certificates of insurance naming Client as an additional insured on the General Liability policy upon request.
- 19) The Appraisal and the name Colliers International Valuation & Advisory Services may not be used in any marketing or investment material or offering memoranda without CIVAS' prior written consent. CIVAS, its employees and appraisers have no liability to any recipients of any prepared material and disclaim all liability to any party other than the Client.
- 20) Unless CIVAS consents in writing, the Appraisal cannot be used by any party or for any purpose other than the Client for the purposes specified in the Agreement. Should the Client provide a copy of this Appraisal to any person or entity not authorized by CIVAS in writing, Client hereby agrees to hold CIVAS, its directors, officers, employees and other affiliates and shareholders, harmless from all damages, expenses, claims and costs, including any attorney's fees. The Client acknowledges that any opinions and conclusions expressed by the professionals of CIVAS pursuant to the Agreement are made as employees and not as individuals. CIVAS' responsibility is limited to the Client, and the use of the Appraisal or related product by third parties shall be solely at the risk of the Client and/or third parties.
- 21) The use of this appraisal shall be used only for the purpose as set forth in the Intended Use section of the Agreement. In the event that the client wishes to use this report or portions of this report for any other purpose such as, to become part of or be referenced in, any offering or other material intended for the review of others, or to be submitted to others, will be at the Client's sole and absolute discretion and, if given, will be on condition that CIVAS will be provided with an Indemnification Agreement and/or Non-Reliance letter, in a form and content satisfactory to CIVAS and the Client, by a party satisfactory to CIVAS and the Client. CIVAS does consent to Client submission of the complete Appraisal to rating agencies, loan participants or your accountants/auditors without the need to provide us with an Indemnification Agreement and/or Non-Reliance letter.
- 22) Client and its affiliates, rating agencies and a limited number of investors involved in the securitization, may use and rely upon CIVAS report in connection with a planned loan securitization involving the Property including, without limitation, utilizing selected information in the Appraisal in the offering documents relating to the securitization and CIVAS agrees to cooperate in answering reasonable questions by any of the above parties in connection with the securitization.

Client agrees that it will not file, use, or permit or cause to be used in any offering documents or any other document any portion or extract of the Appraisal, or any reference to the Appraisal, without first (i) having provided the portion or portions of an offering document or other document to CIVAS for review and (ii) having obtained the prior written consent of CIVAS to any such filing, use, amendment or modification, which consent shall not be unreasonably withheld. CIVAS shall have the right to require Client to include in any offering document or other document disclosure concerning the conditions, qualifications and assumptions of the appraisal and such other disclosure concerning the Appraisal as CIVAS shall reasonably require.

Client can use the appraised value without attribution to the Appraisal, and selected information in the Appraisal, provided Client agrees that it has complied and at all times will comply, and will use Client's best efforts to cause any underwriters to comply, with all applicable Federal and state securities laws in connection with any offering, and offering document and any use of the Appraisal. Client further agrees that neither any offering document nor any other document used in connection with any offering will contain an untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein not misleading regarding the Appraisal, or any portion or extract thereof, or any reference to the Appraisal.

EXHIBIT B - PUBLIC**Curtis S. McCall, Jr., CRE, MAI**

Executive Managing Director
Carolinas Region Leader
Valuation & Advisory Services

curt.mccall@colliers.com
Direct: +1 843 442 1915
Fax: +1 843 577 3837
colliers.com

40 Calhoun Street
Suite 460
Charleston, SC 29401
United States

Education or Qualifications

MA – Real Estate Valuation and
Urban Land Economics,
University of Florida, 1989

BBA – Marketing/Finance
University of Kentucky, 1985

State Certifications

Florida

Georgia

North Carolina

South Carolina

Virginia

Area of Expertise

Curt McCall is a graduate of the University of Florida Appraisal Institute Masters program. Since 1989, he has been active in commercial real estate valuation in South Carolina and the coastal region of the southeast. His primary focus has been valuation of investment grade commercial real estate; institutional uses; and partial interests. Other assignments include feasibility studies, market studies, and litigation support.

Curt is qualified as an expert witness in Federal Bankruptcy Court; the South Carolina Administrative Law Division; and Circuit Court.

Affiliations or Memberships

2002 - Member, The Counselors of Real Estate (CRE) American Society of Real Estate Counselors

1992 - Designated Member, Appraisal Institute, (MAI)

Professional Background

2021-Present Colliers International Valuation & Advisory Services, Executive Managing Director | Carolinas Region

2018-2020 CBRE, Director

2013-2017 Colliers International Valuation & Advisory Services, Managing Director

2002-2013 CS McCall & Co., LLC Owner

1994-2002 Attaway Thompson McCall & Associates, Inc. Partner

1992-1994 Attaway Thompson Jeffers & Associates, Inc. Partner

1989-1992 Attaway Thompson Jeffers & Associates, Inc. Associate

1985-1987 First National Bank of Louisville Commercial Lending

1992 Designated Member, Appraisal Institute (MAI)

1996-2002 Charleston County Planning Commission

1995-2005 Adjunct Professor, University of South Carolina

EXHIBIT B - PUBLIC



Curtis S. McCall, Jr., CRE, MAI
Executive Managing Director
Carolinas Region Leader
Valuation & Advisory Services

curt.mccall@colliers.com
Direct: +1 843 442 1915
Fax: +1 843 577 3837
colliers.com

40 Calhoun Street
Suite 460
Charleston, SC 29401
United States

Representative Clients and Projects

- Numerous Federally Insured Lending Institutions
- CSX Corporation
- NOAA
- General Services Administration
- The Nature Conservancy / The Conservation Fund
- Army Corps of Engineers
- Santee Cooper Public Utility
- Norfolk Southern
- SC Commission of Higher Learning
- Local Municipalities, County Governments, and Public Agencies
- Numerous Law Firms
- Private Corporations
- Private Investment Firms
- FDIC

EXHIBIT B - PUBLIC

State of South Carolina **BCD 1335766**
Department of Labor, Licensing and Regulation
Real Estate Appraisers Board

CURTIS S MCCALL JR

Is hereby entitled in practice as a:
Certified General Appraiser

License Number: **305**

Expiration Date: 06/30/2022
OFFICE COPY

Laura L. Smith
Administrator

EXHIBIT B - PUBLIC**Jerry P. Gisclair II, MAI, MRICS**

Executive Managing Director
US National Client Services
Valuation & Advisory Services

jerry.gisclair@colliers.com
Direct: +1 813 871 8531
Mobile: +1 813 767 0203
colliers.com

4830 West Kennedy Blvd., Suite 300
Tampa, FL 33609

1349 W Peachtree St. NE
Two Midtown Plaza, Suite 1100
Atlanta, GA 30009
United States

Education or Qualifications

Master of Arts – Real Estate:
University of Florida College of
Business, 1997

Bachelor of Arts – Economics:
University of Florida, 1994

State Certifications

Alabama	North Carolina
Arizona	Pennsylvania
California	South Carolina
Florida	Tennessee
Georgia	Texas
Louisiana	Virginia
Mississippi	Washington DC

Area of Expertise

Jerry's primary role is major / multi-market client liaison for Colliers Valuation Team, both developing and maintaining relationships with our clients, partnering with them to ensure professional, timely service utilizing well vetted and proper valuation analyses, serving as the US and Global lead in conjunction for one off and portfolios, working with the portfolio management team, partnering with clients to ensure consistent execution and service across the reach of a project.

Relevant Skills & Expertise

Jerry coordinates projects with a team of over 350 valuation professionals in the US and working across the global landscape of 1,000+ valuation professionals. With extensive skills in various commercial, multifamily, and hospitality assets

Key Clients

CW Capital	Brookfield
Rialto	Fortress
KeyBank	CalSTRS
Midland/PNC	Apollo
Torchlight	KKR
LNR	Elecgtra
CalPERS	TPG
Stockbridge	Varia - Stoneweg
JP Morgan	AEW
Blackstone	CBRE Investors
Goldman Sachs	ARC Properties Trust
TA Realty	Starwood Capital
UBS	Eaton Vance
Barclays	

Recent Key Portfolio Instructions

Walker & Dunlop – UCOMM Student Housing Portfolio – 25+ Class A student Housing assets

Goldman Sachs Elm Creek Mall Pool – 10+ Sears locations

CCRE – Arbor 70+ Property Multifamily Portfolio

CalPERS – First Washington Retail Portfolio – 100+ assets

Midland/PNC Hotel Portfolio – 7 hotel assets

Goldman Sachs Portfolio Valuation – 50+ industrial assets

UBS Ruby Tuesday Portfolio - 270 retail assets: restaurants

Capital One – Greystar / Blackstone/EDR Student Housing Portfolio – 50+ Class A Student Housing assets

Blackstone-Gramercy CitiGroup Industrial Portfolio – 150+ industrial assets

ARC Properties Trust - 150+ retail assets

Wells Fargo – TPG Office Portfolio

Wells Fargo Lithia Motors Automobile Dealership Portfolio – 40+ dealerships

VARIA – Stoneweg (50+ assets): residential

Eaton Vance Portfolio (50+ assets): residential, office, industrial

Morgan Stanley – Lighthouse – Wisco Portfolio (10+ assets): hotels

Capital One – Kayne / CBREI Medical Office Portfolio (100+ assets)

Wells Fargo – Fortress Retail Portfolio - 20+ retail assets

EXHIBIT B - PUBLIC

State of South Carolina BCD 1356617
Department of Labor, Licensing and Regulation
Real Estate Appraisers Board
JERRY PAUL GISCLAIR II
Is hereby entitled in practice as a:
Certified General Appraiser
License Number: 6865
Expiration Date: 06/30/2022
POCKET CARD

Laura L. Smith
Administrator

State of South Carolina BCD 1356617
Department of Labor, Licensing and Regulation
Real Estate Appraisers Board
JERRY PAUL GISCLAIR II
Is hereby entitled in practice as a:
Certified General Appraiser
License Number: 6865
Expiration Date: 06/30/2022
OFFICE COPY

Laura L. Smith
Administrator

DO NOT PEEL CARD FROM A CORNER

- To remove card from backing
- Bend form back from the outside edge
 - Pull card off backing



Valuation Glossary

EXHIBIT B - PUBLIC

Valuation & Advisory Services



CONTACT DETAILS

DIR +1 206 695 4200
FAX +1 206 682 7938

Colliers International
601 Union Street
Suite 4800
Seattle, WA 98101

www.colliers.com

Unless specified otherwise, these definitions were extracted from the following sources or publications:

The Dictionary of Real Estate Appraisal, Sixth Edition, Appraisal Institute, Chicago, Illinois, 2015 (*Dictionary*).

Uniform Standards of Professional Appraisal Practice, 2020-2021 Edition (USPAP).

The Appraisal of Real Estate, Fourteenth Edition, Appraisal Institute, Chicago, Illinois, 2013 (*14th Edition*).

Absolute Net Lease

A lease in which the tenant pays all expenses including structural maintenance, building reserves, and management; often a long-term lease to a credit tenant. (*Dictionary*)

Ad Valorem Tax

A real estate tax based on the assessed value of the property, which is not necessarily equivalent to its market value. (*14th Edition*)

Aggregate of Retail Values (ARV)

The sum of the separate and distinct market value opinions for each of the units in a condominium; subdivision development, or portfolio of properties, as of the date of valuation. The aggregate of retail values does not represent the value of all the units as sold together in a single transaction; it is simply the total of the individual market value conclusions. Also called *sum of the retail values*. (*Dictionary*)

Arm's-length Transaction

A transaction between unrelated parties who are each acting in his or her own best interest. (*Dictionary*)

As-Is Market Value

The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date. (*Dictionary*)

Assessed Value

The value of a property according to the tax rolls in ad valorem taxation; may be higher or lower than market value, or based on an assessment ratio that is a percentage of market value. (*14th Edition*)

Average Daily Room Rate (ADR)

In the lodging industry, the net rooms revenue derived from the sale of guest rooms divided by the number of paid occupied rooms. (*Dictionary*)

Band of Investment

A technique in which the capitalization rates attributable to components of an investment are weighted and combined to derive a weighted-average rate attributable to the total investment. (*Dictionary*)

Cash-Equivalent Price

The price of a property with nonmarket financing expressed as the price that would have been paid in an all-cash sale. (*Dictionary*)

Common Area

The total area within a property that is not designed for sale or rental but is available for common use by all owners, tenants, or their invitees, e.g., parking and its appurtenances, malls, sidewalks, landscaped areas, recreation areas, public toilets, truck and service facilities. (*Dictionary*)

Valuation Glossary

EXHIBIT B - PUBLIC

Valuation & Advisory Services

CONTACT DETAILS

DIR +1 206 695 4200
FAX +1 206 682 7938

Colliers International
601 Union Street
Suite 4800
Seattle, WA 98101

www.colliers.com

Contract Rent

The actual rental income specified in a lease. *(14th Edition)*

Cost Approach

A set of procedures through which a value indication is derived for the fee simple interest in a property by estimating the current cost to construct a reproduction of (or replacement for) the existing structure, including an entrepreneurial incentive; deducting depreciation from the total cost; and adding the estimated land value. Adjustments may then be made to the indicated fee simple value of the subject property to reflect the value of the property interest being appraised. *(14th Edition)*

Curable Functional Obsolescence

An element of depreciation; a curable defect caused by a flaw in the structure, materials, or design, which can be practically and economically corrected. *(Dictionary)*

Debt Coverage Ratio (DCR)

The ratio of net operating income to annual debt service, which measures the relative ability of a property to meet its debt service out of net operating income; also called *debt service coverage ratio (DSCR)*. *(Dictionary)*

Deferred Maintenance

Items of wear and tear on a property that should be fixed now to protect the value or income-producing ability of a property. *(Dictionary)*

Depreciation

In appraisal, a loss in property value from any cause; the difference between the cost of an improvement on the effective date of the appraisal and the market value of the improvement on the same date. *(Dictionary)*

Direct Costs

Expenditures for the labor and materials used in the construction of improvements; also called *hard costs*. *(Dictionary)*

Discounted Cash Flow (DCF) Analysis

The procedure in which a discount rate is applied to a set of projected income streams and a reversion. The analyst specifies the quantity, variability, timing, and duration of the income streams and the quantity and timing of the reversion, and discounts each to its present value at a specified yield rate. *(Dictionary)*

Discount Rate

A rate of return on capital used to convert future payments or receipts into present value; usually considered to be a synonym for *yield rate*. *(Dictionary)*

Disposition Value

The most probable price that a specified interest in property should bring under the following conditions:

1. Consummation of a sale within a specified time, which is shorter than the typical exposure time for such a property in that market.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and seller are acting prudently and knowledgeably.
4. The seller is under compulsion to sell.
5. The buyer is typically motivated.
6. Both parties are acting in what they consider their best interests.
7. An adequate marketing effort will be made during the exposure time.

EXHIBIT B - PUBLIC Valuation Glossary

Valuation & Advisory Services

CONTACT DETAILS

DIR +1 206 695 4200
FAX +1 206 682 7938

Colliers International
601 Union Street
Suite 4800
Seattle, WA 98101

www.colliers.com

8. Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto.

9. The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

This definition can also be modified to provide for valuation with specified financing terms. *(Dictionary)*

Easement

The right to use another's land for a stated purpose. Access or right-of-way easements may be acquired by private parties or public utilities. Governments may be the beneficiaries of easements placed on privately owned land that is dedicated to conservation, open space, or preservation. *(14th Edition)*

Economic Life

The period over which improvements to real property contribute to property value. *(Dictionary)*

Effective Age

The age of property that is based on the amount of observed deterioration and obsolescence it has sustained, which may be different from its chronological age. *(Dictionary)*

Effective Date

The date on which the appraisal or review opinion applies (SVP) *(Dictionary)*

Effective Gross Income (EGI)

The anticipated income from all operations of the real estate after an allowance is made for vacancy and collection losses and an addition is made for any other income. *(Dictionary)*

Effective Gross Income Multiplier (EGIM)

The ratio between the sale price (or value) of a property and its effective gross income. *(Dictionary)*

Effective Rent

The rental rate net of financial concessions such as periods of free rent during the lease term and above or below-market tenant improvements (TIs). *(14th Edition)*

Eminent Domain

The right of government to take private property for public use upon the payment of just compensation. The Fifth Amendment of the U.S. Constitution, also known as the *takings clause*, guarantees payment of just compensation upon appropriation of private property. *(Dictionary)*

Entrepreneurial Incentive

The amount an entrepreneur expects to receive for his or her contribution to a project. Entrepreneurial incentive may be distinguished from entrepreneurial profit (often called *developer's profit*) in that it is the expectation of future profit as opposed to the profit actually earned on a development or improvement. *(Dictionary)*

Valuation Glossary

EXHIBIT B - PUBLIC

Valuation & Advisory Services

CONTACT DETAILS

DIR +1 206 695 4200
FAX +1 206 682 7938

Colliers International
601 Union Street
Suite 4800
Seattle, WA 98101

www.colliers.com

Entrepreneurial Profit

A market-derived figure that represents the amount an entrepreneur receives for his or her contribution to a project and risk; the difference between the total cost of a property (cost of development) and its market value (property value after completion), which represents the entrepreneur's compensation for the risk and expertise associated with development. An entrepreneur is motivated by the prospect of future value enhancement (i.e., the entrepreneurial incentive). An entrepreneur who successfully creates value through new development, expansion, renovation, or an innovative change of use is rewarded by entrepreneurial profit. Entrepreneurs may also fail and suffer losses. *(Dictionary)*

Excess Land

Land that is not needed to serve or support the existing improvement. The highest and best use of the excess land may or may not be the same as the highest and best use of the improved parcel. Excess land has the potential to be sold separately and is valued separately. *(Dictionary)*

Excess Rent

The amount by which contract rent exceeds market rent at the time of the appraisal; created by a lease favorable to the landlord (lessor) and may reflect unusual management, unknowledgeable or unusually motivated parties, a lease execution in an earlier, stronger rental market, or an agreement of the parties. Due to the higher risk inherent in the receipt of excess rent, it may be calculated separately and capitalized or discounted at a higher rate in the income capitalization approach. *(14th Edition)*

Expense Stop

A clause in a lease that limits the landlord's expense obligation, which results in the lessee paying any operating expenses above a stated level or amount. *(Dictionary)*

Exposure Time

An opinion, based on supporting market data, of the length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. *(USPAP)*

External Obsolescence

A type of depreciation; a diminution in value caused by negative external influences and generally incurable on the part of the owner, landlord, or tenant. The external influence may be temporary or permanent. *(Dictionary)*

Extraordinary Assumption

An assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions. Uncertain information might include physical, legal, or economic characteristics of the subject property; or conditions external to the property, such as market conditions or trends; or the integrity of data used in an analysis. An extraordinary assumption may be used in an assignment only if:

- It is required to properly develop credible opinions and conclusions;
- The appraiser has a reasonable basis for the extraordinary assumption;
- Use of the extraordinary assumption results in a credible analysis; and
- The appraiser complies with the disclosure requirements set forth in USPAP for extraordinary assumptions. *(USPAP)*

Valuation Glossary

EXHIBIT B - PUBLIC

Valuation & Advisory Services

CONTACT DETAILS

DIR +1 206 695 4200
FAX +1 206 682 7938

Colliers International
601 Union Street
Suite 4800
Seattle, WA 98101

www.colliers.com

Fair Market Value

In nontechnical usage, a term that is equivalent to the contemporary usage of *market value*.

As used in condemnation, litigation, income tax, and property tax situations, a term that is similar in concept to market value but may be defined explicitly by the relevant agency. (*Dictionary*)

Feasibility Analysis

A study of the cost-benefit relationship of an economic endeavor. (*USPAP*)

Fee Simple Estate

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat. (*Dictionary*)

Floor Area Ratio (FAR)

The relationship between the above-ground floor area of a building, as described by the zoning or building code, and the area of the plot on which it stands; in planning and zoning, often expressed as a decimal, e.g., a ratio of 2.0 indicates that the permissible floor area of a building is twice the total land area. (*Dictionary*)

Functional Obsolescence

The impairment of functional capacity of improvements according to market tastes and standards. (*Dictionary*)

Functional Utility

The ability of a property or building to be useful and to perform the function for which it is intended according to current market tastes and standards; the efficiency of a building's use in terms of architectural style, design and layout, traffic patterns, and the size and type of rooms. (*Dictionary*)

Furniture, Fixtures, and Equipment (FF&E)

Business trade fixtures and personal property, exclusive of inventory. (*Dictionary*)

Going-concern

An established and operating business having an indefinite future life. (*Dictionary*)

Going-concern Value

An outdated label for the market value of all the tangible and intangible assets of an established and operating business with an indefinite life, as if sold in aggregate; more accurately termed the *market value of the going concern* or *market value of the total assets of the business*. (*Dictionary*)

Gross Building Area (GBA)

Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above-grade area. This includes mezzanines and basements if and when typically included in the market area of the type of property involved. (*Dictionary*)

Gross Leasable Area (GLA) - Commercial

Total floor area designed for the occupancy and exclusive use of tenants, including basements and mezzanines; measured from the center of joint partitioning to the outside wall surfaces. (*Dictionary*)

Gross Living Area (GLA) - Residential

Total area of finished, above-grade residential area; calculated by measuring the outside perimeter of the structure and includes only finished, habitable, above-grade living space. (Finished basements and attic areas are not generally included in total gross living area. Local practices, however, may differ.) (*Dictionary*)

Valuation Glossary

EXHIBIT B - PUBLIC

Valuation & Advisory Services

CONTACT DETAILS

DIR +1 206 695 4200
FAX +1 206 682 7938

Colliers International
601 Union Street
Suite 4800
Seattle, WA 98101

www.colliers.com

Highest & Best Use

The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. The use of an asset that maximizes its potential and that is possible, legally permissible, and financially feasible. The highest and best use may be for continuation of an asset's existing use or for some alternative use. This is determined by the use that a market participant would have in mind for that asset when formulating the price that it would be willing to bid (IVS). (*Dictionary*)

Hypothetical Condition

A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. (*USPAP*)

Income Capitalization Approach

In the income capitalization approach, an appraiser analyzes a property's capacity to generate future benefits and capitalizes the income into an indication of present value. The principle of anticipation is fundamental to this approach. Techniques and procedures from this approach are used to analyze comparable sales data and to measure obsolescence in the cost approach. (*14th Edition*)

Incurable Functional Obsolescence

An element of depreciation; a defect caused by a deficiency or superadequacy in the structure, materials, or design that cannot be practically or economically corrected as of the effective date of the appraisal. (*Dictionary*)

Indirect Costs

Expenditures or allowances for items other than labor and materials that are necessary for construction, but are not typically part of the construction contract. Indirect costs may include administrative costs, professional fees, financing costs and the interest paid on construction loans, taxes and the builder's or developer's all-risk insurance during construction, and marketing, sales, and lease-up costs incurred to achieve occupancy or sale. Also called *soft costs*. (*Dictionary*)

Insurable Replacement Cost

The cost estimate, at current prices as of the effective date of valuation, of a substitute for the building being valued, using modern materials and current standards, design and layout for insurance coverage purposes guaranteeing that damaged property is replaced with a new property (i.e., depreciation is not deducted). (*Dictionary*)

Interim Use

The temporary use to which a site or improved property is put until a different use becomes maximally productive. (*Dictionary*)

Valuation Glossary

EXHIBIT B - PUBLIC

Valuation & Advisory Services

CONTACT DETAILS

DIR +1 206 695 4200
FAX +1 206 682 7938

Colliers International
601 Union Street
Suite 4800
Seattle, WA 98101

www.colliers.com

Investment Value

The value of a property to a particular investor or class of investors based on the investor's specific requirements. Investment value may be different from market value because it depends on a set of investment criteria that are not necessarily typical of the market. *(Dictionary)*

Liquidation Value

The most probable price that a specified interest in real property should bring under the following conditions:

1. Consummation of a sale within a short time period.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and seller are acting prudently and knowledgeably.
4. The seller is under extreme compulsion to sell.
5. The buyer is typically motivated.
6. Both parties are acting in what they consider to be their best interests.
7. A normal marketing effort is not possible due to the brief exposure time.
8. Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto.

9. The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

This definition can also be modified to provide for valuation with specified financing terms. *(Dictionary)*

Leased Fee Interest

The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversion right when the lease expires. *(Dictionary)*

Leasehold Interest

The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease. *(Dictionary)*

Legally Nonconforming Use

A use that was lawfully established and maintained, but no longer conforms to the use regulations of its current zoning; also known as a *grandfathered use*. *(Dictionary)*

Market Area

The geographic region from which a majority of demand comes and in which the majority of competition is located. Depending on the market, a market area may be further subdivided into components such as primary, secondary, and tertiary market areas. *(Dictionary)*

Market Rent

The most probable rent that a property should bring in a competitive and open market reflecting the conditions and restrictions of a specific lease agreement, including the rental adjustment and revaluation, permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements (TIs). *(Dictionary)*

Valuation Glossary

EXHIBIT B - PUBLIC

Valuation & Advisory Services

CONTACT DETAILS

DIR +1 206 695 4200
FAX +1 206 682 7938

Colliers International
601 Union Street
Suite 4800
Seattle, WA 98101

www.colliers.com

Market Study

An analysis of the market conditions of supply, demand, and pricing for a specific property type in a specific area. *(Dictionary)*

Market Value (Most Common Non-FRT)

The most probable price, as of a specific date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue distress. *(Dictionary)*

Market Value (Interagency Guidelines)

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised, and acting in what they consider their own best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales

Market Value (Inter. Guidelines con't)

concessions granted by anyone associated with the sale. *(Interagency Appraisal and Evaluation Guidelines, December 10, 2010, Federal Register, Volume 75 Number 23, Page 77472)*

Marketability Analysis

The study of how a specific property is expected to perform in a specific market. A marketability analysis expands on a market analysis by addressing a specific property. *(Dictionary)*

Neighborhood Analysis

The objective analysis of observable or quantifiable data indicating discernible patterns of urban growth, structure, and change that may detract from or enhance property values; focuses on four sets of considerations that influence value: social, economic, governmental, and environmental factors. *(Dictionary)*

Net Operating Income (NOI)

The actual or anticipated net income that remains after all operating expenses are deducted from effective gross income but before mortgage debt service and book depreciation are deducted. Note: This definition mirrors the convention used in corporate finance and business valuation for EBITDA (earnings before interest, taxes, depreciation, and amortization). *(14th Edition)*

Obsolescence

One cause of depreciation; an impairment of desirability and usefulness caused by new inventions, changes in design, improved processes for production, or external factors that make a property less desirable and valuable for a continued use; may be either functional or external. *(Dictionary)*

Valuation Glossary

Valuation & Advisory Services

CONTACT DETAILS

DIR +1 206 695 4200
FAX +1 206 682 7938

Colliers International
601 Union Street
Suite 4800
Seattle, WA 98101

www.colliers.com

Off-site Costs

Costs incurred in the development of a project, excluding on-site costs such as grading and construction of the building and other improvements; also called *common costs* or *off-site improvement costs*. (*Dictionary*)

On-site Costs

Costs incurred for the actual construction of buildings and improvements on a particular site. (*Dictionary*)

Overage Rent

The percentage rent paid over and above the guaranteed minimum rent or base rent; calculated as a percentage of sales in excess of a specified breakeven sales volume. (*14th Edition*)

Overall Capitalization Rate (OAR)

The relationship between a single year's net operating income expectancy and the total property price or value. (*Dictionary*)

Parking Ratio

The ratio of parking area or parking spaces to an economic or physical unit of comparison. Minimum required parking ratios for various land uses are often stated in zoning ordinances. (*Dictionary*)

Potential Gross Income (PGI)

The total income attributable to property at full occupancy before vacancy and operating expenses are deducted. (*Dictionary*)

Potential Gross Income Multiplier (PGIM)

The ratio between the sale price (or value) of a property and its annual potential gross income. (*Dictionary*)

Present Value (PV)

The value of a future payment or series of future payments discounted to the current date or to time period zero. (*Dictionary*)

Prospective Opinion of Value

A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not achieved sellout or a stabilized level of long-term occupancy. (*Dictionary*)

Qualitative Adjustment

An indication that one property is superior, inferior, or the same as another property. Note that the common usage of the term is a misnomer in that an adjustment to the sale price of a comparable property is not made. Rather, the indication of a property's superiority or inferiority to another is used in relative comparison analysis, bracketing, and other forms of qualitative analysis. (*Dictionary*)

Quantitative Adjustment

A numerical (dollar or percentage) adjustment to the indicated value of the comparable property to account for the effect of a difference between two properties on value. (*Dictionary*)

Rentable Area

The amount of space on which the rent is based; calculated according to local practice. (*Dictionary*)

Valuation Glossary

EXHIBIT B - PUBLIC

Valuation & Advisory Services

CONTACT DETAILS

DIR +1 206 695 4200
FAX +1 206 682 7938

Colliers International
601 Union Street
Suite 4800
Seattle, WA 98101

www.colliers.com

Replacement Cost

The estimated cost to construct, at current prices as of a specific date, a substitute for a building or other improvements, using modern materials and current standards, design, and layout. (*Dictionary*)

Reproduction Cost

The estimated cost to construct, at current prices as of the effective date of the appraisal, an exact duplicate or replica of the building being appraised, using the same materials, construction standards, design, layout, and quality of workmanship and embodying all the deficiencies, superadequacies, and obsolescence of the subject building. (*Dictionary*)

Retrospective Value Opinion

A value opinion effective as of a specified historical date. The term *retrospective* does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., "retrospective market value opinion." (*Dictionary*)

Sales Comparison Approach

The process of deriving a value indication for the subject property by comparing sales of similar properties to the property being appraised, identifying appropriate units of comparison, and making adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison. The sales comparison approach may be used to value improved properties, vacant land, or land being considered vacant when an adequate supply of comparable sales is available. (*Dictionary*)

Scope of Work

The type and extent of research and analysis in an appraisal or appraisal review assignment. Scope of work includes, but is not limited to:

The extent to which the property is identified;

The extent to which tangible property inspected;

The type and extent of data researched; and

The type and extent of analysis applied to arrive at opinions or conclusions. (*USPAP*)

Shopping Center Types

Neighborhood Shopping Center: The smallest type of shopping center, generally with a gross leasable area of between 30,000 and 100,000 square feet. Typical anchors include supermarkets. Neighborhood shopping centers offer convenience goods and personal services and usually depend on a market population support of 3,000 to 40,000 people.

Community Shopping Center: A shopping center of 100,000 to 400,000 square feet that usually contains one junior department store, a variety store, discount or department store. A community shopping center generally has between 20 and 70 retail tenants and a market population support of 40,000 to 150,000 people.

Regional Shopping Center: A shopping center of 300,000 to 900,000 square feet that is built around one or two full-line department stores of approximately 200,000 square feet each plus small tenant spaces. This type of center is typically supported by a minimum population of 150,000 people.

Valuation Glossary

EXHIBIT B - PUBLIC

Valuation & Advisory Services

CONTACT DETAILS

DIR +1 206 695 4200
FAX +1 206 682 7938

Colliers International
601 Union Street
Suite 4800
Seattle, WA 98101

www.colliers.com

Shopping Center Types (cont.)

Super-Regional Center: A large center of 600,000 to 2.0 million square feet anchored by three or more full-line department stores. This type of center is typically supported by a population area of 300,000 people. (14th Edition)

Superadequacy

An excess in the capacity or quality of a structure or structural component; determined by market standards. (Dictionary)

Surplus Land

Land that is not currently needed to support the existing use but cannot be separated from the property and sold off for another use. Surplus land does not have an independent highest and best use and may or may not contribute value to the improved parcel. (Dictionary)

Tenant Improvements (TIs)

1. Fixed improvements to the land or structures installed for use by a lessee.
2. The original installation of finished tenant space in a construction project; subject to periodic change for succeeding tenants. (Dictionary)

Triple Net Lease

An alternative term for a type of net lease. In some markets, a net net net lease is defined as a lease in which the tenant assumes all expenses (fixed and variable) of operating a property except that the landlord is responsible for structural maintenance, building reserves, and management. Also called *NNN*, *triple net lease*, or *fully net lease*. (Dictionary)

Usable Area

The area that is actually used by the tenants measured from the inside of the exterior walls to the inside of walls separating the space from hallways and common areas. (Dictionary)

Useful Life

The period of time over which a structure or a component of a property may reasonably be expected to perform the function for which it was designed. (Dictionary)

Vacancy and Collection Loss

A deduction from potential gross income (PGI) made to reflect income deductions due to vacancies, tenant turnover, and non-payment of rent; also called *vacancy and credit loss* or *vacancy and contingency loss*. (Dictionary)

Yield Capitalization

A method used to convert future benefits into present value by 1) discounting each future benefit at an appropriate yield rate, or 2) developing an overall rate that explicitly reflects the investment's income pattern, holding period, value change, and yield rate. (Dictionary)



Colliers International

Valuation & Advisory Services

Services Offered

Single Asset Valuation
Portfolio Valuation
Institutional Asset Valuation
Loan Pool Valuation
Appraisal Review
Appraisal Management
Lease and Cost Analysis
Insurance Valuation
Arbitration & Consulting
Feasibility Studies
Investment Analysis
Highest and Best Use Studies
Tax Appeals
Litigation Support
Segregated-Cost Analysis

Experience That Counts

Office
Industrial
Retail
Multifamily
Mixed-Use Properties
Senior Housing
Land
Self-Storage
Manufactured Housing
Agriculture
Net Lease
Hospitality
Health Care
Subdivisions
Embassies & Consulates
GSA Properties
Special Use Properties
Telecommunications

Real estate valuations play a pivotal role in today's business climate. An accurate and well supported opinion of property value can mean the difference between reaching a critical goal—securing a loan, closing a sale, reporting to investors, choosing the best asset—or failing to achieve it altogether.

Colliers Valuation & Advisory Services' reports are designed to deliver insight into a property's fundamentals, its competition and the overall market dynamics affecting value. A solid valuation report can be a strategic asset for investors, lenders and owners, provided that it addresses both a property's unique characteristics and the most current market conditions.

Commitment to high-end client service, coupled with Colliers International's unparalleled market intelligence and resources, differentiates us as the firm of choice in the real estate industry.

PROFESSIONALS

Our professionals share a commitment to deliver the highest level of service and consistent results. We go the extra mile for our clients, whether this means meeting a tight deadline or working with a complex and challenging property.

TECHNOLOGY

Our unmatched report creation technology speeds appraisals through the pipeline. This secure, centralized production system generates a wide range of reports and high volume portfolio orders without delays.

INFORMATION

Today's business climate places valuation in a more pivotal position than ever before. All our appraisals are evaluated and approved by an experienced review team to ensure our clients receive concise and timely appraisals. With clear, prompt reporting and a comprehensive, big picture approach, Colliers International's Valuation and Advisory reports give our clients the information they need to make better business decisions.

VALUATION & ADVISORY KEY CONTACTS & OFFICES **EXHIBIT B - PUBLIC****ALBUQUERQUE**

Conner Marshall MAI
Sr. Valuation Services Director
Conner.Marshall@colliers.com
+1 505 380 7053

AUSTIN

Jay Lefevre MAI
Managing Director
Jay.Lefevre@colliers.com
+1 602 770 4530

ATLANTA

Leamon Holliday MAI
Managing Director
Leamon.Holliday@colliers.com
+1 404 892 3526

BALTIMORE

Zachary Smith MAI
Associate Managing Director
Zachary.Smith@colliers.com
+1 443 602 8985

BOISE

Reid Erickson MAI
EMD | Northwest Region
Reid.Erickson@colliers.com
+1 206 965 1106

BOSTON

Chris Stickney MAI
Associate Managing Director
Chris.Stickney@colliers.com
+1 617 330 8171

BUFFALO

James Murrett MAI, SRA
Executive Managing Director
Jim.Murrett@colliers.com
+1 716 312 7790

CHARLESTON

Curt McCall, Jr. CRE, MAI
Executive Managing Director
Curt.McCall@colliers.com
+1 843 442 1915

CHARLOTTE

Chris Johnson MAI, SRA, AI, GRS
Managing Director
Christopher.Johnson@colliers.com
+1 704 409 2374

CHICAGO

Nancy Myers MAI
Managing Director
Nancy.Myers@colliers.com
+1 312 602 6159

CINCINNATI

Brian Graham MAI, CMAA
Senior Valuation Specialist
Brian.Graham@colliers.com
+1 513 562 2214

CLEVELAND

Jacob Roehl
Senior Valuation Specialist
Jacob.Roehl@colliers.com
+1 303 915 5155

COLUMBUS

Christian Smith MAI
Managing Director
Christian.Smith@colliers.com
+1 614 437 4684

DALLAS

Thomas Bogdon MAI, R/WAC, MRICS
EMD | Southeast Region
Thomas.Bogdon@colliers.com
+1 214 217 9338

DENVER

Jonathan Fletcher MAI
Managing Director
Jon.Fletcher@colliers.com
+1 303 779 5500

DESTIN

Kevin Branton
Senior Valuation Specialist
Kevin.Branton@colliers.com
+1 850 269 6861

DETROIT

David Abraham MAI, SRA
Managing Director
David.Abraham@colliers.com
+1 248 226 1872

FAYETTEVILLE

Curt Smith MAI
Valuation Services Director
Curt.Smith@colliers.com
+1 479 302 5932

FRESNO

John Larson MAI
Sr. Valuation Services Director
John.Larson@colliers.com
+1 559 221 1271

GRAND RAPIDS

Will Fowler MAI
Valuation Services Director
Will.Fowler@colliers.com
+1 616 988 5843

HAWAIIAN ISLANDS

Bobby Hastings MAI, MRICS
Managing Director
Bobby.Hastings@colliers.com
+1 808 200 5603

HOUSTON

Paula Thoreen MAI, CRE
Executive Managing Director
Paula.Thoreen@colliers.com
+1 713 835 0081

INDIANAPOLIS

Nancy Myers MAI
Managing Director
Nancy.Myers@colliers.com
+1 312 602 6159

IRVINE

John Park MAI
Sr. Valuation Services Director
John.Park@colliers.com
+1 949 751 2705

JACKSONVILLE

Patrick Phipps MAI
Managing Director
Patrick.Phipps@colliers.com
+1 904 861 1114

KANSAS CITY

Alex Hoening MAI
Associate Managing Director
Alex.Hoening@colliers.com
+1 816 479 3561

LAS VEGAS

Evan Ranes MAI, ASA, R/WAC
Managing Director
Evan.Ranes@colliers.com
+1 702 836 3749

LITTLE ROCK

Joshua Smith MAI, MRICS
Managing Director
Joshua.Smith@colliers.com
+1 501 219 8546

LOS ANGELES

Casey Merrill MAI, ASA, FRICS
EMD | Southwest Region
Casey.Merrill@colliers.com
+1 213 417 3315

MIAMI

Ralph Pena, III MAI
Managing Director
Ralph.Pena@colliers.com
+1 786 517 4855

MILWAUKEE

Karen Dabek MAI
Sr. Valuation Services Director
Karen.Dabek@colliers.com
+1 312 602 6158

MINNEAPOLIS

Karen Dabek MAI
Sr. Valuation Services Director
Karen.Dabek@colliers.com
+1 312 602 6158

NASHVILLE

Patrick Gibson MAI, CMAA
Managing Director
Patrick.Gibson@colliers.com
+1 615 610 4728

NEW ORLEANS

Jason Lindsey MAI
Valuation Services Director
Jason.Lindsey@colliers.com
+1 504 717 1926

NEW YORK

Tony O'Sullivan MAI, MRICS
Managing Director
Tony.O'Sullivan@colliers.com
+1 212 207 8057

NEW YORK (UPSTATE)

Anthony Palma MAI, MRICS
Sr. Valuation Services Director
Anthony.Palma@colliers.com
+1 518 788 8108

ONTARIO

Casey Merrill MAI, ASA, FRICS
EMD | Southwest Region
Casey.Merrill@colliers.com
+1 213 417 3315

ORLANDO

Chuck Buhler MAI, CMAA
Managing Director
Chuck.Buhler@colliers.com
+1 407 362 6155

PHILADELPHIA

Albert Crosby MAI
Associate Managing Director
Albert.Crosby@colliers.com
+1 215 928 7526

PHOENIX

Michael Brown
Associate Managing Director
Michael.Brown@colliers.com
+1 602 222 5166

PITTSBURGH

Bruce Nell MAI, AI, GRS, MRICS
EMD | National Practices
Bruce.Nell@colliers.com
+1 614 437 4687

PORTLAND/VANCOUVER

Jeremy Snow MAI
Managing Director
Jeremy.Snow@colliers.com
+1 503 542 5409

RALEIGH

Chris Johnson MAI, SRA, ASA
Managing Director
Christopher.Johnson@colliers.com
+1 704 409 2374

RENO

Jeffrey Shouse MAI, CRE
EMD | National Practices
Jeff.Shouse@colliers.com
+1 916 724 5531

RICHMOND

Chris Johnson MAI, SRA, AI, GRS
Managing Director
Christopher.Johnson@colliers.com
+1 704 409 2374

SACRAMENTO

Scott Shouse MAI
Managing Director
Scott.Shouse@colliers.com
+1 916 724 5532

SALT LAKE CITY

John Blaser MAI
Valuation Services Director
John.Blaser@colliers.com
+1 385 249 5440

SAN DIEGO

Rob Detling MAI
Managing Director
Rob.Detling@colliers.com
+1 858 860 3852

SAN FRANCISCO

Vahana Duong MAI
Managing Director
Vahana.Duong@colliers.com
+1 415 288 7854

SAN JOSE

Jeffrey Shouse MAI, CRE
EMD | National Practices
Jeff.Shouse@colliers.com
+1 916 724 5531

SARASOTA

Justin Butler MAI
EMD | Healthcare Valuation
Justin.Butler@colliers.com
+1 941 210 5004

SEATTLE

Reid Erickson MAI
EMD | Northwest Region
Reid.Erickson@colliers.com
+1 206 965 1106

ST. LOUIS

Jeremy R. Walling MAI, MRICS
Executive Vice President
Jeremy.Walling@colliers.com
+1 312 371 4920

TAMPA

PJ Cusmano MAI, MRICS
EMD | Florida Region
PJ.Cusmano@colliers.com
+1 813 229 1599

WASHINGTON DC

Bruce Nell MAI, AI, GRS, MRICS
EMD | National Practices
Bruce.Nell@colliers.com
+1 614 437 4687

NATIONAL CLIENT SERVICES

Jerry P. Gischler MAI, MRICS
EMD | National Client Services
Jerry.Gischler@colliers.com
+1 813 871 8531

John Jordan MAI

EMD | Multifamily Client Services
John.Jordan@colliers.com
+1 214 217 9328

NATIONAL OPERATIONS

Morgan Turnbow MAI, MRICS
EMD | National Operations
Morgan.Turnbow@colliers.com
+1 212 355 1029

US LEADERSHIP

Jeremy R. Walling MAI, MRICS
Executive Vice President
Jeremy.Walling@colliers.com
+1 312 371 4920

AMERICAS LEADERSHIP

Eduardo Alegre MAI, MRICS
President | Americas
Ed.Alegre@colliers.com
+1 714 496 9400